FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Latin America

FBIS-LAT-95-176
Tuesday
12 September 1995

Daily Report
Latin America

FBIS-LAT-95-176 CONTENTS *12 September 1995*

CARIBBEAN

Cuba

Exile Groups Oppose Helms-Burton Bill *[Havana TV]* 1
Vice President Continues Visit to Mexico 1
  Hopes To Strengthen Ties *[PRENSA LATINA]* 1
  Denies U.S. Pressure Harms Ties *[Havana Radio]* 1
Robaina Attends NAM Summit in Colombia 2
  Leaves For Cartagena *[Havana TV]* 2
  Views Region's Nonaligned Role *[PRENSA LATINA]* 2
  Congratulates Colombia on NAM Presidency *[Santa Fe de Bogota TV]* 2
FMC Leader Criticizes Attacks on PRC Policies *[Havana Radio]* 3
  Says Attacks on PRC 'Hypocritical' *[PRENSA LATINA]* 3
Minister on Addressing Regional Environmental Problems *[Havana Radio]* 4
Foreign Investment Minister on Investments Law Approval *[Havana Radio]* 4
'Straight Talk' on Foreign Investment Law *[Havana Radio]* 5
Castro Addresses University Students *[Havana TV]* 7
Sugarcane Field Weeding Exceeds 1994 Figures *[Havana TV]* 19
Aquaculture Plays Important Role in Nation's Economy *[Havana TV]* 20
Aquaculture Provides New Food Production Alternative *[Havana TV]* 20
Houseware, Clothing Stores To Open 9 Sep *[Havana Radio]* 21
Expert Evaluates Juragua Safety Features, Improvements *[Havana Radio]* 21
Roundup of Economic Developments *[Havana Radio]* 21

Haiti

Government Conducting Voter Mobilization Campaign *[Port-au-Prince Radio]* 21
CEP President Inaugurates Election Press Center *[Port-au-Prince Radio]* 22
Aristide Commemorates Church Attack Anniversary *[Port-au-Prince Radio]* 22

MEXICO

Zedillo Protests U.S. Fishing, Farming Measures *[NOTIMEX]* 23
Delegation Negotiates Energy Package With Cuba *[NOTIMEX]* 23

CENTRAL AMERICA

Belize

Government Honors Extradition Treaty With U.S. *[CANA]* 24

El Salvador

Economic Measures Yields 'Good Results' *[San Salvador Radio]* 24

Guatemala

Belizean Troops Enter Territory at Chiquibul 25
  Army Deploys 'Immediately' *[AFP]* 25
  Vice President Warns Belizean Military *[ACAN 11 Sep]* 25
  Says Raids Could Lead to Armed Conflict *[PRENSA LIBRE 11 Sep]* 25

Honduras

Reportage on San Pedro Department Peasant Clash 60
  Clash Prompts Student Demonstration *[ABC COLOR 9 Sep]* 60
  Peasants Refuse To Leave Invaded Land *[ABC COLOR 10 Sep]* 61
  Wasmosy Denounces 'Destabilization Plan' *[ABC COLOR 10 Sep]* 61
  Asks Peasants To Be Patient *[Asuncion TV]* 62
Wasmosy Orders Army Commander Not To Testify Before CBI *[ULTIMA HORA 11 Sep]* 62

Uruguay

Groups Denounce Alleged Nuclear Project *[EL OBSERVADOR 24 Aug]* 63
Poll: President's Popularity Declines in August *[TELAM]* 64

Venezuela

Joint Trade Communique Issued With Colombia *[EL UNIVERSAL 7 Sep]* 64
  Caldera Addresses Colombian Congress *[Caracas TV]* 65
  Ministers Discuss Agreements With Colombia *[Caracas TV]* 69
Finance Minister on Possible Debt Rescheduling *[Caracas TV]* 69
Finance Commission Rejects 1996 Budget Draft *[Caracas TV]* 70
Politicians, Experts View Gasoline Price Hike *[Caracas TV]* 70
  Energy Minister, Business Leaders Comment *[Caracas TV]* 70

Cuba

Exile Groups Oppose Helms-Burton Bill

FL1109180095 Havana Cuba Vision Network in Spanish 1630 GMT 11 Sep 95

[From the "NTV" newscast]

[FBIS Translated Text] On 12 September, four Cuban emigre organizations will meet with U.S. Congressmen and authorities to express their opposition to the strengthening of the blockade. These organizations, the Cuban-American Committee for Peace, Cuban Change, Cuban-American Committee for Democracy, and the Cuban-American Alliance will unite to confront the Helms-Burton Bill. They reject the bill because they consider it to be interested solely in claims made by certain exiles regarding their possessions.

Raimundo del Toro, president of the Cuban-American Committee for Peace, stated that the majority of the emigres view it time to end the foolish blockade policy, and that prohibitions to travel and to send money to relatives in Cuba should be lifted.

Vice President Continues Visit to Mexico

Hopes To Strengthen Ties

PA1109120895 Havana PRENSA LATINA in Spanish 0047 GMT 11 Sep 95

[By Miguel Lozano]

[FBIS Translated Text] Mexico City, 10 Sep (PL) — Cuban Vice President Carlos Lage, who arrived here today at the invitation of the Mexican Government, said that he hopes to hold a series of meetings with leaders and businessmen of the country with the hope of strengthening bilateral relations.

Approached by newsmen on his arrival, Lage said that the Cuban Government has never been concerned that the pressure exerted by the United States might hinder the development of ties with the island, because Mexico's foreign policy is based on the principles of self- determination and sovereignty.

He said that Mexico has shown that it is committed to those principles.

Regarding local press reports about attempts by sectors of the U.S. Congress to prevent Mexico from selling oil to Cuba, the Cuban vice president said that his country is not aware of such actions, although there are suspicions, stemming from the pressure maintained against the island for several years.

In reality, he said, sectors of the U.S. Congress are exerting pressure to hinder the development of Cuba, a country which has been subject to a blockade which he termed unfair and criminal and which is blocking the nation's economic development.

He noted that, in addition to trying to secure investments or specific business deals, his visit here is an attempt to strengthen relations and establish a general framework between the governments and the business sector to promote the growth of trade and investments.

Lage noted that this year, trade with Mexico has increased, because Cuba became an important buyer of Mexican products, principally fuel totalling over $200 million, with a growing trend consistent with Cuba's economy recovery.

He added that the new facilities given in his country to foreign investments will certainly expand Mexico's presence, which, he said, is already showing profitable results.

Tomorrow, on the first day of his official visit, Lage will meet with President Ernesto Zedillo, will lay a floral wreath at the independence monument, will speak with the director general of Mexican Petroleum (Pemex), and will meet with Foreign Minister Jose Angel Gurria.

The Cuban vice president's tight agenda includes a conference, a working breakfast with Mexican businessmen, meetings with Francisco Labastida, agriculture, livestock, and rural development secretary; Emilio Chuayffet, government secretary; Guillermo Ortiz, finance and public credit secretary; and Genaro Borrego, director general of the Mexican Social Security Institute.

Lage will also meet with a group of senators in the Chamber of Senators of the Congress.

Denies U.S. Pressure Harms Ties

PA1109203795 Havana Radio Rebelde Network in Spanish 1155 GMT 11 Sep 95

[From the "Doing Radio" newscast]

[FBIS Translated Text] International news agencies are reporting that Carlos Lage, vice president of the Council of State, will meet Mexican President Ernesto Zedillo, Mexican Foreign Secretary Jose Angel Gurria, and Mexican Petroleum's director and will lay a wreath at the foot of Independence Monument in Mexico City today.

Lage told the press in Mexico City that the Cuban Government has never been concerned about U.S. pressure jeopardizing Mexico's ties with Cuba since Mexican foreign policy is based on self-determination and sovereignty. As for Mexican press reports that certain circles in the U.S. Congress are preventing

Mexico from selling crude oil to Cuba, Lage said that although his country has not confirmed any such action there is strong suspicion of this based on the action that has been taken against Cuba for many years. He added that the truth is that pressure from congressional circles interferes with economic development in Cuba, a country subjected to an embargo which he described as unfair and criminal.

Lage said that trade with Mexico increased this year because Cuba became an important importer of Mexican products, particularly crude oil. The more than $200 million in imports will surely rise as Cuba's economy gradually recovers. Lage finally said that the new opportunities Cuba offers to foreign investors will surely expand the Mexican presence, which is already yielding fruit.

Robaina Attends NAM Summit in Colombia

Leaves For Cartagena

PA0809131195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Sep 95

[From the "NTV" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina left on 7 September for Cartagena de Indias, Colombia. The Cuban foreign minister will attend the ministerial meeting of Latin American and Caribbean countries, members, and observers of the Nonaligned Movement [NAM] convened by the Colombian Government to make preparations for the 11th summit conference of the Nonaligned Countries Movement.

This preparatory meetings will take place on 8 and 9 September. Robaina will also hold talks and make consultations on the summit with his Colombian counterpart, Foreign Minister Rodrigo Pardo.

Views Region's Nonaligned Role

PA0909201095 Havana PRENSA LATINA in Spanish 0200 GMT 9 Sep 95

[FBIS Translated Text] Cartagena de Indias, Colombia, 8 Sep (PL) — Cuba today expressed firm support for Colombia and its hosting of the XI Nonaligned Countries Summit and called for Latin American unity to strengthen the role and the objectives of the movement.

Speaking at the Latin America and the Caribbean in the Nonaligned Countries seminar held in this Colombian city, Cuban Foreign Minister Roberto Robaina said here that the October summit will be hosted not only by Colombia, but by the entire region. "We are sure," he said, "that this country has the will, the ability, the prestige, and the necessary talent to continue the group's work and to strengthen the group."

Robaina said that Colombia and Latin America will have to keep nonalignment alive and healthy so that it may grow and get stronger. He urged South America to offer the initial support to the host country "so that it feels well-supported as it defends nonaligned principles, the re-embarking of the movement, and its consolidation."

The Cuban foreign minister recalled that when Indonesia assumed the presidency of the Nonaligned Movement in 1991, the group of 112 countries entered a recovery process following a difficult period.

He said that the movement has retaken the role it legitimately should play in the international sphere and has gained authority and credibility before its developed world interlocutors.

Robaina noted that Indonesia has clearly supported the debate that emerged at the movement on whether this era is one of confrontation or cooperation.

The foreign minister said Cuba is capable of facing confrontations, if necessary, and to cooperate and open new roads "when it is necessary to do so."

He said that without solidarity among the members of the movement, it will not be possible to reach the group's main objectives. He affirmed it is necessary to be united to defend the interests and the principles of nonalignment.

Referring to the draft presented by Colombia, Robaina congratulated the Bogota government for the general conception of the text, which circulated in the United Nations on 30 August.

Robaina reiterated the importance that the celebration of the nonaligned summit in the region has for Latin America and the Caribbean and bid farewell by saying "thank you, Colombia," for having convoked this exchange of opinions in Cartagena.

Congratulates Colombia on NAM Presidency

PA1009142895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 10 Sep 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] In Cartagena de Indias, Cuban Foreign Minister Roberto Robaina, alluding to the local political crisis, said today that the Nonaligned Movement [NAM] summit will be held in the most opportune time for Colombia. Robaina spoke about the Colombian Government's crisis and Colombia's assuming the NAM presidency on 14 October.

[Begin Robaina recording] In a bipolar world, Colombia will have the privilege of speaking on behalf of 113 countries, which, unlike wealthy countries, cannot make themselves heard at the United Nations or other international fora. I think this privilege gives Colombia an opportunity to play a role that extends far beyond its borders. Colombia's voice will be able to reach the world, despite the terrible campaign mounted against this country. Regrettably, what is said about Colombia does not agree with what Colombia says. I saw President Samper as very satisfied. I think it is fair to portray Colombia, as it is being portrayed today, in the best possible light, that of the role it plays in fighting drugs. I think this election is the result of Colombia's work. This is why we are here. I think Colombia is far above the campaign that has been mounted against it. I would also say someone has attempted to take revenge from Colombia. NAM is not very popular with those who want to mount great campaigns in the world. [end recording]

The NAM summit, to be held in Cartagena de Indias starting in 14 October, is the most important event of its type that South America has ever organized.

FMC Leader Criticizes Attacks on PRC Policies

FL1109235395 Havana Radio Reloj Network in Spanish 1933 GMT 11 Sep 95

[FBIS Translated Text] Vilma Espin, president of the Federation of Cuban Women [FMC], criticized the hypocrisy of attacks against the PRC, host of the Fourth Global Conference on Women, which ends on 15 September. During a news conference, the head of the Cuban delegation praised the PRC's educational efforts in the area of birth control, a problem with alarming results for the world. Likewise, Vilma Espin referred to the continuous aggression to which Cuba has been subjected by successive U.S. leaders, particularly the blockade, which seeks to defeat the Cuban people through hunger by worsening their daily living conditions. In reference to the situation of women, Vilma Espin used figures to demonstrate levels attained and fields in which more work is needed.

Says Attacks on PRC 'Hypocritical'

PA1109222595 Havana PRENSA LATINA in Spanish 1616 GMT 11 Sep 95

[FBIS Translated Text] Beijing, 11 Sep (PL) — Vilma Espin, president of the Federation of Cuban Women (FMC), described the attacks against the PRC for human rights violations as hypocritical. The PRC is hosting the 4th World Women's Conference.

In a news conference, the Cuban leader praised the Asian country's work in education among inhabitants, aimed toward birth control, a problem — she said — that could have had alarming consequences for the PRC and the rest of the world.

To this end, she highlighted the agreements reached in the world conference on population control and development, which took place in Cairo, Egypt in 1994 under UN auspices, for its momentous importance on the topic of women and their reproductive rights.

The accusation against the PRC by a country that violates human rights seems to me hypocritical, she said alluding to the United States.

The FMC president also referred to the continuous aggressions to her country dating back to the last century, when the United States intervened in the Cuban war for independence that Cuba had virtually won.

She especially mentioned Washington's blockade against the island, which seeks to surrender the Cuban people through hunger and has placed it in a difficult situation that affects the inhabitant's day-to-day living.

Nevertheless, solidarity with the island increases every day, Espin said, and exemplified the Pastors For Peace Caravan that travels Canada and the U.S. territory itself, in search of material aid for the Caribbean nation.

She said, on the other hand, that headway in the integration process in the Caribbean is verified by the recent creation in Trinidad and Tobago of the Associations of Caribbean States, to which Cuba, she said, can offer high quality human resources and notable development in the fields of health and education.

When referring to the situation of women in her country, she supplied figures of the levels attained and the aspects in which work should be continued, including female representation in parliament, which although among the highest in Latin America, is still insufficient, she said.

Regarding UN-sponsored world conferences on women, she considered that unquestionable steps had been taken since the first meeting held in Mexico in 1975, as shown in world meetings held these past few years, which invariably deal with female issues.

Minister on Addressing Regional Environmental Problems

PA0909024895 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Sep 95

[Report by Eva Alvarez from the "National Radio News" newscast]

[FBIS Translated Text] Identifying ways to achieve the sustainable development of Latin America and the Caribbean through means that will not commit resources or worsen the standards of living of future generations is a major priority, said Rosa Elena Simeon regarding the upcoming ninth meeting of environmental ministers of Latin America and the Caribbean. She added that 21 of the 32 countries of the region have already confirmed their attendance. Fourteen ministers have set arrival dates, establishing a new record over previous meetings.

Journalist Eva Alvarez has asked the Cuban minister a question:

[Begin recording] [Alvarez] Have you noticed a stronger intention, a stronger determination to address environmental problems among governments of the area, of Latin America, and the Caribbean?

[Simeon] I believe there is no doubt the Rio Summit created much awareness about the complexity of these problems. They must undoubtedly tackle serious problems such as poverty, environmental cleanup, potable water, and disinfection; in other words, these countries are experiencing increasingly complex problems. They are certainly gaining awareness about the need not only to learn about them but to take action and reverse some of the situations confronting those Latin American countries. [end recording]

Foreign Investment Minister on Investments Law Approval

PA1209002995 Havana Radio Havana Cuba in Spanish 0000 GMT 9 Sep 95

[Report by Barbara Betancourt; from the "Evening Information Review" newscast]

[FBIS Translated Text] The foreign investment law approved by the National Assembly of the People's Government [ANPP] in its last session has caused interest not only in business sectors but also in the international media. This reality motivated a meeting between Foreign Investment and Economic Cooperation Minister Ernesto Melendez Bachs, local journalists, and, above all, journalists from other countries — basically from the United States. In the meeting Melendez gave details on the main elements of the law, for example, the guarantees that an investor receives.

[Begin Melendez recording] Decree-Law 50 established certain guarantees for foreign investors. Those guarantees have not been recently implemented in Cuba; they have been in effect since Decree-Law 50 was published in 1982. There are guarantees regarding the repatriation of capital, there are guarantees regarding taxes that are established.

In practice, [words indistinct] countries that intend to do this through foreign investments, additional guarantees are offered according to their political, social, and legal system. This is recognized in the international practice, meaning accords for the reciprocal promotion and protection of investments. These have progressively increased in the last 10 years. In the case of bilateral agreements, for years we have also negotiated and signed bilateral agreements for the protection of investments — with the UK, Spain, Italy, Russia, the PRC, Colombia, Bolivia. We have been negotiating with many countries more.

The new law, which you know was discussed today, includes a long chapter on guarantees that puts it on a level with international practice, and it does not necessarily respond to external pressure. It is not a reply to the blockade or any monstrosity of a bill, like the Torricelli Bill, which has been around for some time, or the new monstrosities that now emerge in the U.S. legislative branch. Rest assured that foreign investments represent a very important category and we can assert our law is on a level with international practice regarding each type [words indistinct] ample chapter and, I repeat, puts it on a level with other international regulations dealing with foreign investments. [end recording]

Melendez also explained why the Cuban law allows free employment of personnel only in exceptional cases.

[Begin Melendez recording] We took into consideration the experience we have acquired in four years since the opening to foreign investments, an increasing presence of mixed enterprises and associations. Also, we carried out many consultations with foreign parties, with specialists from other countries.

In other words, the labor issue is one of the important issues in an investment law. An investment law various important issues. We were talking about the guarantees; we can talk about the special tax system, or fiscal system; banking regulations; and the issue of the environment and the environment's protection. There is the issue of the sectors where investments can or cannot be made.

In other words, the law is a series of elements. This series of elements [words indistinct] the labor issue. It must compete with other legislations, other foreign legislations. In Cuba's particular case, we have experience — according to our political, social, and economic system — on the issue of labor, protection of workers, based on our social security laws and the experience we have acquired.

This was all explained at the ANPP, during the debates on labor issues, particularly the enterprises that would do the employing. This is an essential element on which current investors in Cuba have no cause for complaint. Instead, facilities have been given through the offer of jobs and the protection of workers, when there is an excess number of workers.

[Basic Industry] Minister Marcos Portal explained the experience acquired by a ministry that plays an active role in the area of foreign investments, oil, mining, and other sectors. At a given moment and due to changes in the market or in the prices of certain products, the cost of manpower is a very important element in the formation of production costs.

This enterprise provides support and helps the worker whenever there is need to make payroll cuts in a mixed enterprise, so he may be received by another mixed enterprise instead of finding himself unemployed. We believe that the figure of an employing enterprise, as stated in the law, represents a guarantee, an attractive element, a competitive element, and also an element based on our political, social, and economic system. [end recording]

'Straight Talk' on Foreign Investment Law

FL0809201795 Havana Radio Rebelde Network in Spanish 1600 GMT 6 Sep 95

["Straight Talk" program with host Osvaldo Rodriguez and guest reporters Julio Garcia and Luis Sexto]

[FBIS Translated Text] [Rodriguez] Good afternoon, friends, this is "Straight Talk" on Rebelde. For the past few days we have tried to describe what took place during the discussion on foreign investment law. Today we take up the issue once again with reporters Julio Garcia Luis, from TRABAJADORES newspaper, and Luis Sexto, from BOHEMIA magazine, to look at the analysis and some things that still might remain a little unclear. Therefore I will turn the time over to Garcia.

[Garcia] I would like to start with a word of warning given by Comrade Fidel during the debate. It is a word of warning to the media, in other words, to ourselves. Sometimes in the interest of fulfilling the role of informants on the law and in trying to make it understood, we exaggerate or overestimate the reach that this law could have in the near future. We should not do that. In other words, the law will not serve as a magic wand and bring a wave of foreign investments to the country. In other words, the law gives us an updated instrument because the law we had so far was from 1982. It was from a time prior to the special period when the vision that we had on foreign investment was different. Today we needed a legal instrument that [words indistinct] the problem of foreign investment as a whole.

[Rodriguez] Of course, this also clarifies doubts, because there are those who think that foreign investment is what is going to save us from the crisis. We must be clear that we need fresh money, markets, and technology to overcome the crisis, but we can also achieve this through our own means.

[Sexto] Of course, I believe that in order for Cuba to overcome the crisis, we must achieve an integration of multiple factors. The factor of foreign investments is one of them. It might not be the most important, but it is an important factor within the strategy that the country's leadership is following to get the nation out of the economic crisis it fell into because of the reasons that everyone already knows and that I am not going to repeat today. I believe this is important.

I also believe that the mere existence of this law is not going to bring a wave of foreign investments to Cuba. Cuba's situation cannot be analyzed or judged apart from the U.S. policy of hostility and aggression. The U.S. policy is blocking the arrival of investments in Cuba. This is one of the parts — one of the most evident effects — of the blockade. Now, just because there is a law in Cuba does not mean that the blockade is going to disappear or that the investors are going to be willing to not give in to the pressures of the U.S. government. The U.S. policy, the situation, the differences with the United States — which were perpetrated by the United States — can accelerate or decelerate this process of foreign investments in Cuba. That is my opinion.

[Rodriguez] Yes, I agree with you because according to specialists, no country, regardless of all the foreign investments that it may have, can have more than 10 or 15 percent of its economy engaged in foreign investments. Those are countries that are highly...[pauses] countries that have elevated investments. Therefore, 2 billion [unit not specified] — which is what is said to be accumulated thus far in foreign investments — really does not represent much when it is compared to the investment on the Cuban side.

[Garcia] Yes, it is modest. What Cuba has achieved thus far is pretty modest. Vietnam currently has 15 billion [unit not specified] in foreign investments in this five-year period. Of course, their conditions are different.

[Rodriguez] Their blockade was lifted.

[Garcia] Exactly. In other words, we cannot compare the amount of foreign investments in one country to the amount in another. Now, I wanted to add that undoubtedly the main generator of capital for investments and production in our economy has to be our own national economy.

[Rodriguez] And I believe it has been that way as of late. Even during times of greatest crisis.

[Garcia] Yes, even when we received capital from the socialist countries. Our economy has always been the main source of capital and that is the way it should be. Foreign investments, however, can boost this. Yesterday someone mentioned a fact that I want to discuss here. Tourism, which is receiving some foreign investments, recycles approximately $2 million for the rest of the national economy to finance production.

[Sexto] We must also warn that this law regulates, or gives the nation a legal body, to facilitate the influx of foreign capital to our economy. That is the main goal. It has already been said that Cuba needs capital, technology, and markets and that Cuba is not accustomed to obtaining that on its own and is in need of cooperation — let us call it cooperation. But, this law does not mean — and we should make this perfectly clear — the handing over of the nation, nor the resignation from the basic principles of our society, such as political sovereignty, political independence, social justice. It is simply an instrument to help strengthen the development of the Cuban nation within its Socialist scheme.

[Rodriguez] As we have said on other occasions, we are not selling the country.

[Sexto] No, we are not. Someone once told me that we were selling off the nation to the devil. No. The devil is in his post and we are in our post.

[Rodriguez] By the way [chuckles] the devil is not allowed to participate in investments in Cuba.

[Sexto] Of course not, in general the devil is kept alienated from this whole process — perhaps because we are lucky. In other words, this law tries to keep the nation from harming itself or from splitting into pieces. The nation is partially sharing its economic potential with someone who is willing to make money but not to harm us.

[Rodriguez] There was a discussion in the assembly — which I saw on television — on this willingness to share all the potential that we have. It dealt with the participation of Cubans — Cubans living on the island as well as Cubans living abroad — in these investments. What is your opinion on the matter?

[Garcia] We were commenting on this while we were at the convention center because the discussion was very good. The law cannot discriminate because a nation like Cuba, which is a blockaded country, cannot put itself in a position of discriminating or being exclusive. The law does not identify any investor by his or her nationality or citizenship; they can be anyone who has something positive to offer. As the law says, investment is considered on a case-by-case basis, and must be approved by the government. But we do not discriminate against Cubans who might be capitalists or citizens of a third country who wish to invest in Cuba, regardless of their residence in the United States, Venezuela, etc...

[Rodriguez] Now, what if that Cuban participated in counter-revolutionary activities...

[Sexto] Osvaldo, I believe we can solve this or comment on this in the following way: The law does not discriminate; the law establishes a general right. As Julio said, it does not specify nationality, nor citizenship. It simply identifies the foreign investor: a person who resides abroad. Now, that is the right given by law, but that is not a right that allows anyone who wants to invest in Cuba to do so. No. That law gives the right but the law also points out that it is the Cuban Government, or the Council of Ministers, which decides who invests in Cuba. The Council of Ministers decides whether that investment is beneficial to Cuba. The law underscores that the investment must be beneficial to Cuba. Therefore, a thief cannot invest in this country. A counter-revolutionary cannot invest in this country. That is very clear.

[Rodriguez] We are discussing the foreign investment law, recently approved by the National Assembly of the People's Government. There was some discussion on this matter of Cubans investing in the economy. I wanted to clear up some doubts in my mind. Can a Cuban living in the national territory, who has legally accumulated a certain amount of money, invest here, in his or her country?

[Garcia] Well, before getting into this subject, which is very interesting, I want to add something to what Sexto was talking about. The state has mechanisms to filter out terrorists or counter-revolutionaries of Cuban origin and from other parts of the world, or somebody that shows up here with drug money. In other words, the state has its defenses against these cases. We cannot establish a barrier based on citizenship. Why? Because there are Cubans who emigrated from Cuba and who now have a new nationality and citizenship. In other words, they have become naturalized as U.S. citizens or as Venezuelan citizens, etc. Today, the majority of enterprises operate as a corporation with shares, so how can you discriminate against a corporation? That is the technical aspect. But the political aspect is that this law cannot act against the policy of opening towards the emigre community. Nor can we support Helms and Burton claims with a discriminatory law. In other words, we cannot convert this law, as Alfredo Guevara mentioned, into an instrument of hatred. We leave hatred up to our enemies. I believe that is basic element.

Now why can't this law include the Cubans residing in Cuba who might have some capital? Well, because this is a foreign investment law. That would have to be analyzed and regulated at another time because that possibility has not been closed. I have been following Fidel's words on the matter when asked by foreign reporters, and he has not closed that possibility.

[Rodriguez] As a matter of fact in the assembly, one of his remarks, which was broadcast on television, left that door open once again. There is a possibility for Cubans who obtained their capital legally and who live in Cuba to invest at a determined moment.

[Sexto] He expressed this more than a year ago in his interview with Mexican reporter Vazquez Rana. In other words, he was asked this question and Fidel maintained the same position which he just reiterated at the National Assembly. That could become a reality. Now, as Julito said, the investment law is for foreign investments; not the law of investments for Cuban citizens. That is another thing. I imagine that in the future, the nation will have to look at this possibility and at establishing a legal instrument to support that practice. But there is another factor: the nation needs foreign currency. If there is a Cuban, as Fidel said, who might obtain hard currency — perhaps through an inheritance, if I have a grandfather in the Canary Islands who left me 500 million [unit not specified]...

[Rodriguez] Is that true?

[Sexto] I wish. Many things in Cuba would be solved if my grandfather left me 500 million, but I am speaking hypothetically. I wish it were true. I could discuss the way of investing that 500 million in my country. That possibility remains open. The ample spirit of democracy that prevailed at the assembly — which is something that we must mention — allowed a comrade to pose this question, which is a concern that many Cubans have.

[Rodriguez] Well, we have run out of time. Thank you, Julio Garcia Luis and Luis Sexto, for coming here today to talk about the foreign investment law.

Castro Addresses University Students

PA0909214695 Havana Cuba Vision Network in Spanish 0053 GMT 7 Sep 95

[Speech by Cuban President Fidel Castro Ruz at the inauguration of the academic year at the University of Havana on 5 September — recorded]

[FBIS Translated Text] Dearest Friends:

First of all, I apologize for the extreme heat we have here tonight in this auditorium. In thirty five years of revolution you have not been given fans, or air conditioners, or [word indistinct] [crowd shouts] I do not know if this is due to a lack of architects, or to lack of funds. Maybe the architecture does not permit it, but you better invent something, because if what they say about global warming is true — and it seems to be true — I do not know how you will be able to continue having meetings here at this university auditorium.

You have been generous to link the initiation of this course with the coincidental circumstance that approximately on this date, perhaps a few days later, it will be 50 years... [pauses] Fifty years! Are you sure? You are not mistaken? [crowd shouts: "Yes"] of my entrance to this university.

A day like today is a special privilege for me. It may have been a hard day, we may have been at the National Assembly all the time, we may have toured the inferno of the Law School — very updated, but without a single window open [word indistinct] of all those who were accompanying me — we undoubtedly feel with the necessary amount of energy to fulfill this special task you have given me of addressing you tonight.

I said it is a privilege, because how can I not regard this as a privilege? We never think about these things, that one day, 50 years later, amid a revolution, and even a difficult moment for the revolution, amid a special period, always [words indistinct]. It is possible that many of your parents were not even born 50 years ago. Therefore, it could be said that I am meeting with the grandchildren of the generation that entered the university in 1945. Not even a fertile imagination could have imagined something like this.

It was undoubtedly also a privilege to enter this university, because I learned a lot here, perhaps because it was here where I learned the best things in my life; because here I discovered the best ideas of our time and era; because here I became a revolutionary; because here I became a Marti follower; and because here I became a socialist. I first became an Utopian socialist, thanks to lectures by the professor we were discussing before, a professor who taught political economy, a capitalist political economy.

It was so easy to understand him. It was so easy to discover insecurity in the absurd things he said. This is why I was an Utopian socialist first. However, thanks to my contacts with political literature here at the university and at the School of Law, I became a Marxist-Leninist.

I went through difficult, very difficult times at this university; so much so that it was by pure chance that I survived those university years. I fought very hard battles, with all the necessary persistence and determination. But other years and eras went by.

I must say that when I entered the university, I knew very little about politics, very little. What did I know about politics back then? The most I remember is that I had a brother or half-brother who was nominated for representative by the Authentic Party. He was running for Oriente Province.

I remember that there were 42 representatives from Oriente and each party had 42 candidates. I must have been about 14 years old and I was teaching people how to vote. I would go around with ballots, touring the houses, coordinating, teaching people to vote for Pedro Emilio Castro. I do not remember the exact number as it appeared on the ballot but I had to explain to people, who were almost all illiterates, the party, the little box where they had to place their X.

But don't you dare think that I was a revolutionary at 14 years of age; or that I was a politician at that age; or that I had made a certain political move. No, it was that my brother had offered me a horse if he won the elections. [chuckles] The truth is that it was a campaign [chuckles] — yes, it was back in 1939 — that did not interest me at all. I was spoken to [words indistinct], the kindness showed to me — a boy always likes to be recognized [words indistinct] — until the day of the elections.

However, all that effort crumbled: the Rural Guard arrived and allowed no one to vote. Perhaps I must make a historical rectification of the exact year. I think it was before. Let me remember what election it was, perhaps I was not even 14 years old when I made my political campaign and Pedro Emilio won as first alternate, among the candidates of that party.

It would have been a matter of luck if one of the main candidates would have died, then Pedro Emilio would have had a seat in the chamber and then he would have kept his promise about the horse. You can imagine — some of you perhaps not, but those who are from the rural areas, know the meaning of such a promise — what it means to receive such a promise. But, of course, it is clear that he promised everything in that campaign, a campaign that was my first political experience.

The elections were settled at once because the truth was that the Authentic Party candidates had the vast majority of the votes. However, the soldiers arrived, they made two lines, the voters who backed the government on one side, and those against it on the other. Those who backed the government voted, the rest did not vote. This is what happened in all the schools of the area where people voted in the elections back then.

Those were the first elections I experienced. I do recall a great bitterness when I saw how people were beaten, ill-treated, and subjugated. This was the first political farce I witnessed, the first fraudulent election I saw in my life.

The same happened in the presidential elections later on. This is how in 1940, Batista became president of the Republic.

Batista was the man of the great machete, the man who was characterized by abuses of authority. Soldiers were like kings, they all served the big companies, the large latifundia, and the big interests. They received all kinds of privileges and sinecures.

Many abuses were committed in the rural area. It was incredible how such a situation prevailed for so long. Some kind of an army that was! An army created after the Mambi Army was dissolved. It was an army that used North American uniforms, North American machetes, and North American rifles. The horses were brought in from Texas. And they used all that to impose terror in the rural areas of our country. This is why one can explain the fatal situation our peasants and farm workers were in. They went hungry and unemployed most of the time.

In those times when I was a child, a boy, I had the opportunity to coexist with all those families. The other boys we associated and played with were very poor. I couldn't think much along the rest of my life without recalling everything I saw. Perhaps some of these memories, images, and impressions created a certain degree of sympathy and solidarity with those people.

Throughout my life, the special circumstances I found myself in, the place where I was born, and my parent's occupation led me to make decisions. You would not believe it if I tell you that the first decision I made was when I was in first grade. I had to force a family where I was being lodged at, a family that took care of me, to take me to boarding school. So, I was a boarding student in first grade.

In fifth grade, I had to make another decision: to leave that school, basically because of abuses committed by the professors there, especially the use of physical violence. I was forced to use physical violence against an inspector, whose name I rather not mention. What for? Those are things that belong to the past. I had to rebel and fight, physically, when I was in fifth grade. That was during the first trimester of the school year.

From there I went to Dolores School, I went through some difficult times there, it is not a matter of making a story about all that. Although I was at a school with a higher level, I was able to more or less meet the demands of that school, despite the fact that I was not sent there as a boarding student. This means that I had to wage a third battle later on so that I would be placed there as a boarding student. I completed fifth grade.

Then when I was in second year of preuniversity school, an extra year was added to the high school education, which was made up of four years. I decided to leave, without any conflicts, and transferred to Belen School, it was the best school the Jesuits had in this country. I was attracted to the idea of this school. I felt better about the Jesuits' discipline and their overall attitude.

I was involved in more athletic activities. I liked mountain climbing. Everytime we would go for outings such as to El Cobre or other places, I would get lost in the attempt to climb one of the mountains I would see on the horizon. If there were heavy rains, I would have to cross overflowing rivers. There was adventure in it. I liked it. It was a sports activity I practiced. The professors were tolerant. Some times I would be late in my attempts, thus making the bus a couple of hours late, but they did not make a big fuss about it.

This is how I went to another school, under better conditions and with the possibility of practicing a lot of sports activities, including mountain climbing.

Was I a good student? No, I was not a good student. I must confess to you that I cannot present myself before this generation saying that I was a good student.

I attended classes — as Professor Delio can attest to, but with a certain displeasure because he wished I was a model at everything — yes, but the professor was discussing something here and my mind was off someplace else. He would make his explanations, I would be sitting there with everyone else, but I was thinking of all kinds of other things. I was thinking of mountain climbing, sports, or any other thing young boys and young girls think about some times.

Thus, I became a finals student [estudiante finalista] which is the worst term given to anyone. But I was a good finals student. I think that I could perhaps have competed with Ada Fidelia in the last race in which she won the world championship, because everyone was ahead and I was at the end of the line, devoting all my time, the study time, the recess, the lunches, to studying. I was telling the professor that I even studied mathematics, physics, and science-related courses on my own, but at the end of the school term.

However, at the end, I got good grades, many times better than those who were leading the group; that was my final effort.

The Jesuit professors cheered me in times of championships, they forgave me for everything, and criticized me at the end of the school year. When they wrote letters to my home, they predicted a sure failure.

I will never forget a very strict professor, an inspector. He summoned me and my guardian, my father's representative, to tell us that I was failing the course. I cannot remember, I think it was the second course. It was all complaints. I studied, as I usually did and one day, as I was leaving the cafeteria, the strict inspector asked me in his Spanish accent: do you know what you got in physics? I wondered to myself, why is he asking me that, because I knew I had done a good exam; and he said: you got the top grade. I got a 90. [words indistinct]

There was a subject, Cuban Geography, in which only one student got a 90; I had the honor to have been that student. Everyone else got lower grades. There was a big controversy in the school. Some said what is this? Is it the textbooks? [words indistinct] I studied with the same books others used, except that I added things from my imagination. There were the same cays, bays, rivers, but I always added something from my own thinking to the exam and for some reason, the professor liked the exam, and I got a 90.

But one thing I recommend to you is to never be a finals-type of student. The professors never got me to get into the habit of studying every day. I must say, they spoiled me because of the sports medals I won. I was treated better than the team. The criticism would always come at the end. They did not teach me the habit of not studying alone.

As I said, the school I went to was run by Spanish Jesuits. The Spanish Republic had just ended three years before and one of the professors who was in charge of the students and was a close friend of mine told me how executions took place after the war. [words indistinct] He would tell me long stories about the number of people executed in Spain when the civil war ended. He told me about the prisoners. It was something that caused indignation. However, he would recount it as if it was the most natural thing in the world. He did not voice his views about it but [words indistinct] the story he would [words indistinct]. Logically, his stand was conservative, rightist.

Technically speaking, the school was a good school but with all the dogmatic teaching. Let us not forget that one had to go to mass and study sacred history, which would be almost the only beautiful thing in which I would compete with you: sacred history. Every year, we had to take a class on that, first year, second year, etc. We had to take that class all the time. The influence was totally dogmatic.

In general there was some laboratory work, some research, and things like that. But I think that that system of teaching had to be changed because it did not teach you to think. Things had to be believed even if they were not understood.

Not believing was considered to be a sin that deserved life in hell. It is not my intention to be critical. This is not my goal but I do want to explain what kind of teachings we used to receive: very far from what is considered ideal for any young person.

Other than that, school life was fine with me — sports, excursions, all that. I had a good relationship with the other students, excellent relations. This became evident to me on graduation day, because of the reaction the mention of my name at the moment of receiving my secondary school diploma produced.

I myself could not imagine I had so many friends in school. These friendships were a result of the kind of relationship I had with others, without engaging in politics or anything like that.

When I entered the university for the first time, what could I have possibly known about politics? What could have been my contribution with the kind of background I had secured in school, at home, perhaps? A profound sense of justice, ethics, an acquired ethic that necessarily must include Christian precepts, inevitably. This is something we learn one way or another, something we learned very early fighting injustice, abuses, with a sense of equality in all relations. Undoubtedly I have always had a rebellious temperament or character as you may choose to call it.

I have never resigned myself to abuses or to forceful impositions.

When I arrived at the university, in 1945, we were going through one of the worst periods in our country's history, one of the most disappointing periods. We were living through the remnants of a frustrated revolution, the revolution of 1933, when there was a revolution, a real revolution. The struggle against Machado turned into a revolution.

Somebody today referred to 4 September as an infamous date because that marked the birth of the Batista period, but 4 September is not an infamous date, it was a revolutionary date. We do not have to feel shame for feeling this way. On that day sergeants rose up. They simply rose against unethical commanders. Many revolutionaries participated in that movement, students participated in that movement that removed old army officers from power. That was a revolutionary activity.

The problems came afterwards, when the Yankees meddled in Cuba's domestic policies and turned Batista into an instrument of their policy for this country. First there was a pentarchy, then the country was presided over by Grau San Martin, a university physiology professor who had had good relations with the students.

He appointed a cabinet where Guiteri held a very important post. That government, which lasted only three months, adopted several revolutionary measures. It adopted measures having to do with labor, the electric company, the electric company was intervened. This was something about which there was much talk for a long time.

A revolutionary government had been formed and it passed laws until imperialism, using its tools, displaced that government from power: The period during which Batista was the force behind the throne had begun. He installed and removed governments and maintained power for 11 years, until 1944. He and his government committed all sort of abuses, crimes, theft. They looted the country on behalf of the Yankees. That revolution was frustrated, then came big struggles. In 1935, in March, I believe it was in March, there was a coup attempt that was bloodily repelled by the Batista government, by the military, in the cities. They frustrated the revolution. No one can imagine the sequels of a frustrated revolution.

A political process followed. A complicated international situation developed. Fascism was gaining force. Hitler was gaining tremendous power in Europe and he was getting armed to the teeth. The Soviet Union was engaged in a policy of purges that included all sort of abuse and crimes. This became better known afterwards as a result of charges filed by Khrushchev.

Khrushchev filed the charges in the 1950's, after many had died. The party, the Armed Forces, everything, were practically leaderless. This created a most adverse situation for facing the war when that moment came. In those days the Socialist International or the Communist

International, or Comintern, was functioning. Delio you probably know about this more than I do.

This is what was happening to all the parties in the world. This is when the Broad Front [Frente Amplio] began issuing watchwords in view of the fascist threat. This policy was followed with much discipline, with exemplary discipline, I would say, by all the communist parties. This created a new situation. Batista declared himself anti-fascist and was in favor of the creation of the Broad Front. The Communist Party [of Cuba] supported this policy of the Broad Front and did it in a disciplined fashion.

I am not passing judgment on history or anything like that. Perhaps some historians will analyze the circumstances and determine if another variant or alternative was possible. This was, apparently, an unquestionably appropriate party policy: It was the division among the German left, the Social Democracy, and the German Communist Party what permitted Hitler's access to power in Germany, what opened the doors wide open for Hitler so he could do what he did afterwards. Perhaps an anti-Hitler policy should have been initiated before.

In Cuba, a Marxist-Leninist party had to ally itself to a bloody, repressive, and corrupt government like that of Batista.

I am explaining this because in my opinion, this had ulterior consequences in national politics. While the Army was repressing peasants, workers, and students, the party found itself, because of international commitments, in the position of being an ally of that government. Although it must be said that that party tirelessly defended the interests of the workers. The communist party and communist labor leaders led all the strikes, all the important struggles waged during that period for better salaries and a better standard of living. They acted very loyally and unselfishly.

However, a large percentage of the people were anti-Batista and repudiated abuse, crime, and corruption. This contradiction led many young people, many revolutionaries, many people of the left, to cease looking at the Cuban Marxist-Leninist party with sympathy. This is a historic, an objective, fact.

The war ended and the war against fascism was followed by the Cold War — the struggle against socialism by imperialism, which had emerged out of the war with tremendous power.

Imperialism had much wealth. The imperialists had almost all the gold of the world. The Cold War began. There was a change of government in Cuba. Batista lost the elections of 1944. Grau won the elections. Many people created for themselves the illusion that finally a government of the people, an honest and almost revolutionary government, had gained power.

But those forces had already been vanquished by the eroding effect of politics, cheap politics, and corruption. One of the biggest frustrations of the country began a few months after the installation of the Grau administration. At that time everybody was called revolutionary, all the people who had acted against Machado in 1933, who had participated in this or that strike, everybody called themselves revolutionary and they had the government, the politicians had the government but there were many people who called themselves revolutionary.

I entered the university for the first time one year after Grau's victory and protests were germinating everywhere because of dirty deals, embezzlements. There was a feverish situation at the university. Many of the people who were in that government had been members of the Revolutionary Directorate [Directorio Revolucionario]. They had become ministers.

There was much confusion.

When I arrived at the university, in the eyes of the communists I was, because of my inexperience, a strange person. They thought: This, the son of a rich landowner, a fellow graduated from Belen School, must be the most reactionary thing in the world. I was almost scary to the few communist companeros in the university. There were only a few. They were very good. They were very hard-working, very active. They did not have to function in unfavorable conditions.

The repression was beginning to turn against them because with the beginning of the Cold War, began the repression against the communists. They began to be ostracized. A ferocious anti-communist propaganda began in the media — in the radio and newspapers. There was no television in those days. Everything pounding against communism.

Anti-imperialist feelings had weakened.

The anti-imperialist feelings had disappeared from our university, which in the days of Mella and Villena and the Directorate, in the days of the struggle against Batista, had been a bulwark against imperialism. I witnessed this. I spoke with people from everywhere, from the School of Law, from all the schools, and it was seldom that I would hear any kind of anti-imperialist comment. The university had become a bulwark in the hands of the Grau Administration and its authorities. The police, the judicial police, the secret police, the bureau for investigating enemy activities — I do not recall how this was called — the national police, all these institutions were in the hands of the Grau Government.

The Army was something separate, to be used for large-scale repression, in case of strikes. The police was in charge of other activities. The university police was controlled.

During my first few months at the university I did some sports, because I wanted to continue doing sports, and at the same time I began engaging in political activities, which did not transcend the university campus. They were confined to the university.

I presented myself as a candidate delegate for the class of anthropology. This is a course that permits helping students with material, information about laboratory days, and notices, considering that many students did not attend classes, were registered but did not attend classes at the university, and I also organized the freshman year elections.

Sophomore and junior students were working there too to secure majority support because in those days, each class delegate for each subject would elect the subject delegate and subject delegates would elect the president of the Federation of University Students [FEU] of the School of Law. This is how it was. I became involved in these activities in my freshman year. I had to allow time for sports, of course. Before long I discovered I did not have enough time for sports and political activities at the same time.

I went completely into political activities. I organized elections, supported them, sought support among students. We worked well together. We found some politicians who felt they owned all that but our working methods functioned. I remember that on elections day a few over 200 students voted. I obtained 181 votes. My opponent obtained 33. We won all the subjects. Our party won all the subjects and all delegates, all of them. They voted in a package — like in the past elections — and I was made subject delegate and later I found I was elected treasurer, actually I was reelected treasurer of the School of Law, the only thing is that the School of Law did not have then, and has never had, a single penny, so I was the treasurer of nothing.

This was my freshman year. I was beginning to gain relative notice; the students were beginning to pay attention to me. The discredit process undermining the government was running fast and the students demonstrated against that government.

The rebellion of Chivas and the Orthodox Party people almost coincided with that phase. This rebellion led to the creation of a party, the Orthodox Party of the Cuban People. This was a reaction to the frustration produced by the Grau Administration.

We were already carrying out demonstrations against the government. Leaders had posts, sinecures, and positions, they had all the resources of the government at their disposal.

This complicated things for me in my sophomore year, when the School of Law became decisive in FEU elections. I performed the same work I had carried out during my freshman year. We engaged in the same policy, but I should say that our adversaries were unable to find a candidate. This is a fact.

Meanwhile, our candidates for the freshman year obtained an overwhelming victory, so we secured the two years, the two with the largest student population in the School of Law.

This is the moment when the government decided to gain control of FEU at any cost, first by trying to lure us, and later, by intimidating us.

In the School of Law, in that sophomore year, the adversaries had force, there was a certain division of forces. The results could have been different, but there was a person who had five subjects and one vote. He was fairly neutral but too weak of character to be able to stop me.

I believe I acted somewhat hastily, because had I had more experience I would have sought some formula for the election of those adversaries, who were still somewhat undecided as to one or another position. They were not pro—government; we were divided. This division resulted in a person who had the commitment to vote for a FEU candidate. This person did not keep to the pledge to vote for FEU, because the FEU opposed the government, and then we were forced to dismiss him. We simply gathered a majority of four and we fired him. The four of us were in agreement as to the FEU candidacy. Law school became a center of controversy and the university's decisive vote.

I must say that at that time, and as a consequence of all this, a frustrated revolution, as I explained earlier, the country had a series of factions called revolutionaries. All of them supplied details of their background there. These were a series of groups described as revolutionary, all of them [words indistinct] of the government, but certain rivalry existed between them.

I was alone in the university. I was absolutely alone in that electoral process, when suddenly I saw myself facing that Mafia that ruled the university. They were bent on trying not to lose the university, whatever the cost — they controlled the rectorate, the police, the street police, they controlled everything — and they decided that the dismissal had not been valid. A simplistic argument that the statutes had no provisions for dismissals.

The rectorate decided that the dismissal of the law school president was not valid. This was, therefore, the vote that decided whether the university was to continue in the hands of people who backed the government, or, whether the university was going to fall into the hands of people against the government. This is the story.

This became dangerous for me. The atmosphere I observed since my first year there, although still bearable and no one paid us much attention, you cannot image how forceful and scary the movement was — guns, arms. This group that dominated the university was strictly linked to the government and had all the government's support and all the government's resources and weapons.

Why do I say I may have acted somewhat hastily? Perhaps I should have extended that struggle a little longer; that confrontation. Nevertheless, I was unable to resist the attempts to intimidate, to threaten, and I began to openly fight all those forces — an open fight and alone. I was alone, I had no organization, I had nothing. I had nothing to face them with, I did not have a party to support me. This was in rebellion over the attempt to dominate always by force the university.

Articles have been written these past few days regarding those years I spent at the university. The companeros looked up material, dates, and everything. I am not overly satisfied with the articles. I respect their right to study this — they are quite good, they have plenty of information, but there are many things missing that deal with that situation. I am not going to attempt now to give a detailed story of those events, but what I do know is by that time the physical pressures were very strong, the threats were very strong. FEU elections were nearing and that was the moment when that [word indistinct] prohibited my entry to the university. I was not allowed to return to the university.

I believe Luisito Baez, or is it Luisito's delegate, wrote an article that said that I went to walk along a beach to meditate whether I should return or not. I returned in the end, Luisito said. Whether I returned armed or unarmed, (?he does not say). I myself have told the story more than once. Not only did I go to a beach to meditate, but in fact I cried. Even though I was 20 years old at the time — I cried. Not because I was forbidden to come to the university, but because I was going to come back to the university no matter what.

We do not even know how many people were in that gang. The authorities had everything. I decided to return and I returned armed. You could say that it was the beginning of my peculiar armed struggle. An armed struggle in such circumstances was almost impossible. I looked for a friend and asked him to give me a pistol. He loaned me a Browning [previous word in English] with 15 rounds.

I felt super protected with a Browning with 15 rounds. I was, usually, a good shooter because I lived in the rural areas and had used the rifles that were in my house many times. I had done so without anyone's permission. I had used the guns and everything else. [laughs] It just so happened that I turned out to be a good shooter. [words indistinct] why did I cry? I cried because I thought I was going to sacrifice myself, that I had to sacrifice myself no matter what.

After the struggle I had been furthering in the university, it would have been the last straw for me to accept the prohibition of not returning to the university. I had received ample support from the university students, almost full support in the school — I am referring to the students in my class and the classes that were behind mine. I make my decision and got a weapon. It pained me to think that most surely no one would think my death would be worthwhile and that the enemies themselves would be the ones to tell their version of what had happened here.

However, I was decided to come and, not only to come, but to sell my life dearly. [words indistinct] the enemies would have to pay, together with me [words indistinct.] So, I decided to return.

What prevented me from dying that day? Truly, it was because this friend had other friends. They were different people, from different organizations, and many were armed people who were all over the place. Some of them were young, valuable, brave young people. This friend took the initiative. He had been my friend since the times of the struggles against Machado. He had very good relations with the students and he told me: No, you cannot sacrifice yourself in this manner. So, he convinces seven or eight more friends to come with me. They were people I did not know. I met them for the first time that day. They were excellent men. I have met men and combatants but [words indistinct]. They were healthy, brave young men. Thus, I was not alone.

Today, I was asking about the two little stairways where we used to meet, where there was a cafeteria, a cafeteria that should have been kept even elsewhere. But there is nothing.

The courageous ones in the Mafia had gathered near the Law School and I told [word indistinct] you three enter through the front, three of us are going to go up using the ladder there, another three here, and we will get there by surprise.

Those people who were 15 or 20 began to tremble. They never considered that we could have made such a challenge to such a powerful group with such powerful strength. But nothing happened that time, all they did was tremble and I came to the university and kept coming, but by myself. It happened one day when I came by myself.

I had weapons. Sometimes I had them, but then another problem emerged in that confrontation: they had the university police, the street police, and all the repressive organizations I mentioned before on their side. They had all the courts, they had the emergency court on their side.

There was a law by virtue of which if you bore a weapon you would go to jail. Then I faced a third dilemma: I have to face that armed Mafia and I cannot use weapons because if I use a weapon I will be pulled out of the game and be put in jail. The courts were very strict and if the government requested it, you would be put out of circulation.

Therefore, I had to continue the struggle against that armed band, almost always unarmed. There were special occasions when I was able to avail myself of a weapon, a weapon without anything else. But must of the time I was unarmed. We could say that I had to wage all that battle concerning the university and the university positions against the government without weapons.

Consequently, [words indistinct] an armed struggle under very peculiar conditions when all I had was my skin. They got tired of making plans of one kind or another. There was one time when, by chance or luck, the entire class got out of the anthropology room went to fight with me, to defend my life, surrounding me because I was unarmed. They were organized there.

Those were the characteristics of the struggle which had its ups and downs. The big battle over the FEU that year was settled. The situation was so tense that it was settled through an agreement. A candidate was sought who was not from our side or from those who favored the government. There was a period of reconciliation and calm. With this, I am briefly explaining to you why the conditions were so difficult for me during a period that was relatively long back then, except for a period calm.

Amid all this, there was the Cayo Confite expedition. This occurred on my third year. The struggle was very intense. This was back in 1945 and 1946 when I was on my third year. I had already being chosen president of the Committee for the Dominican Democracy and of the Committee for the Liberation of Puerto Rico.

There was a great anti-Trujillo trend at the university. In addition, there were also issues such as the liberation of Puerto Rico and there was also Albizu Campos, who led some uprisings. All this gave rise to demonstrations.

I have not mentioned that within the struggle against the government, there was an endless number of demonstrations that marched to the Palace. In fact, in one of the photos around here, I am delivering a speech against Grau in front of the Palace wall, in front of his office. He wanted to receive a delegation but we rejected that. We had a contact. We were protesting over the death of a youth. I do not recall exactly.

Amid the struggle, which had its ups and downs, which were very difficult struggle, those people had increased power. It was the era of Aleman, the famous Vagas, of huge robberies, and political ambitions. The groups joined Aleman and used the noble Dominican cause for revolutionary political gain. That was the era when an effort was being made to create the conditions to organize the final battle against Trujillo and those who truly organized the Cayo Confite expedition, aside from the Dominicans, were many of these people and the German Government supplied the funds for it.

Minister of education [pauses] It was one of the worst organized things I have ever seen. They picked up many people in the streets of Havana regardless of conditions, education, political affiliation, etc. It was a matter of organizing an artificial army very quickly. They gathered approximately 1,200 men and I, naturally, saw that the struggle against Trujillo was [words indistinct] I was in the Committee for the Dominican Democracy and I did not think about it twice, I packed my bags and without telling anybody anything, I left for Cayo Confite. I enrolled in the Cayo Confite expedition. But the most important thing in all this is the fact that I enrolled when most of my enemies were there.

A curious thing: they respected me; because if I learned one thing in all those years when I had to defy death unarmed, many times, almost everyday, it was that the enemy respects those who do not fear him. The enemy respects those who defy him. The fact that I went to fulfill my duty as a student, inspired respect among them. It was while I was there in Cayo Confite in the final stage, Aleman was the man with the money, supplying all the resources for the expedition, Trujillo bought from Genovevo Perez, who was the Army commander.

It is then when the fights among those groups that called themselves revolutionaries — they honestly believed they were revolutionaries, but they did not know what a revolution was — began. Who could become the champions of a revolution... [pauses] either they were or they expressed the revolutionary ideas of the communists.

They were those who defended the workers, those who had an ideology, those who had a revolutionary theory. Aside from these, what could be the revolutionary theory? For many of them, the revolution consisted of punishing a henchman of the times of Machado or of Batista who had committed crimes against people. Much of this conception about being a revolutionary consisted of this.

However, this situation started degenerating itself. It is here when the Orfila Massacre takes place. This group that has all this power, police and all powers, staged a shootout at a family home in an attempt to capture and kill one of the chiefs opposing them. They even killed the mistress of the house; they killed all those people. The Army is sent there to put an end to that battle that had lasted four hours. We were in Cayo Confite.

A journalist who was able to take pictures of all this battle became famous, and a colossal scandal ensued. This is the time of which Genovevo, the Army chief, takes advantage to kill the Santo Domingo expedition, because he logically saw an adversary in domestic policies in that expedition. These people posed a risk for them, I mean, for him if that Santo Domingo fighting movement became successful. This is what allowed him to take advantage of the operation, and he killed and incarcerated many of these chiefs.

They stripped them of all the powers they had in the Motorized Unit, in the Bureaus of Enemies' Activities, in the Secret Unit, the Judicial Unit, and the National Police. They stripped them of all their powers, and they lost all their powers. So, when the Santo Domingo Invasion is thwarted; we were on our way to Santo Domingo. However, some people deserted, and everything was going on.

By then, I already had an idea about guerrilla fights. I had already been put in command of a soldiers' company. That situation seemed chaotic: there was a lack of organization, a lack of efficiency, a lack of everything. I almost started the guerrilla fights in Santo Domingo. The idea of the guerrilla fight had began, and starting from the Cuban experience and many other things that will take too long to recount and starting from the conviction that we could fight against the Army, at that time I was thinking about the possibility of waging guerrilla fights in the Santo Domingo mountain. I am talking about the year 1947.

When I returned, I again went to prison. I could not resign myself to the idea of being in prison. This story will also take too long to recount. However, I escaped from prison, and I was able to save some weapons, which later were lost because someone squealed on us. When everybody in Havana thought sharks had devoured me at Nipe Bay, the dead man appeared at the university stairs. People's eyes could not believe it. It had been days without contact until I arrived here in Havana. The situation changed because the Orfila Battle, the intervention by the Army, and the disarmament of the main groups had taken place. In other words, it was an optimal situation; students expressed total support. I can say it using these words.

However, there was a problem: since the expedition took place in June and July and was extended until after September, I had to take tests in certain courses in which I had not taken tests; I had to take these tests in September. When I returned, the tests were over. I had to choose from another dilemma: either I enrolled as an official student in order to be able to keep working at official FEU institutions because, otherwise, as a sophomore or junior, I had to enroll in these courses again, or I enroll as an unofficial student.

That was a major decision, because I really hated this. I hated those professional students and free professional students [estudiantes de libre sempiterno] who enroll time and again. I had criticized this attitude many times, so I could not do the same, regardless of how strong my reasons were. So, I simply enrolled unofficially. When I registered unofficially, there was a contradiction: students greatly supported me, but my condition of unofficial student did not allow me to run for official posts within the organization. However, I did not hesitate in doing this, and I am pleased about doing what I did.

At the moment, when the situation had greatly improved, when there was a certain guarantee of a certain tranquillity, that was when I began organizing a Latin American student congress in Colombia to coincide with the famous OAS meeting where they were going to sign who knows how many agreements. We were able to gather some people.

I visited Venezuela and Panama because there was much turmoil in those places. When I was put into contact with the students in Colombia, I was able to meet Gaitan, who turned out to be an exceptional leader. He had a great support of the masses. He was unfortunately assassinated on that 9 April. It took him about two hours, one hour to meet with us for the second time. We were there waiting when we heard about the Bogotazo [destructive riot in Santa Fe de Bogota following the assassination of Jorge Eliecer Gaitan on 9 April 1948]. That was the story of the incident in Bogota.

Another long story to tell, I believe, was that of (Alape), the Colombian writer. He gathered sufficient information on all of that. These were fundamental episodes. There were many other things that happened. I am simply giving you an outline so you can see how we worked.

For me the fundamental thing was my own political education and my revolutionary awareness. I had the old idea of the independence war, the things of Jose Marti, the great sympathy for Marti, Marti's thoughts, the independence war — about which I have practically read almost all the books that have been published — until I first came into contact with the economic ideas, with the absurd things about capitalism.

And I developed a utopian socialist mind, a utopian and not a scientific and socialist mind. Everything was chaos, everything was in disarray. There was too much of everything; there was unemployment; there was too much food here and hunger over there. I started being aware of the chaos the capitalist society was; I started there. I came to my own conclusion that the economy about which we had been told and taught was absurd. That is why I was greatly impressed when I had the chance to read "The Communist Manifesto" for the first time. There were some books that helped me: The History of Labor Legislation ["La Historia de la Legislacion Obrera"], written by an individual who was not consistent with his history, but who wrote a good book, and Roa [not further identified] and "The History of Political Ideas" ["La Historia de las Ideas Politicas"]. There were books written by some professors that helped me get started on the subject until I began reading a collection from the Popular Socialist Party's library, where I bought the books on credit because I did not have the means to pay. I started acquiring Marxist-Leninist literature. The Party supplied the materials to me, and I later feverishly devoted myself to the reading of all that literature.

By then the Orthodox Party had been founded, and I was a member of it. I became something like the left of the Orthodox Party. Now, what was my main idea in all that happened afterward? I was convinced that the Communist Party was isolated and that — under the conditions that existed in the country, in the midst of the Cold War, and the amount of prejudice against communism that existed in this country — it was not possible to carry out a revolution from the ranks of the Socialist Party even if the Socialist Party had wanted to. Imperialism and reactionaries had sufficiently isolated the Communist Party so as to totally prevent it from carrying out a revolution. That is when I started to think about the [word indistinct], the paths and the possibilities of a revolution and how to carry it out, based on the agitation that the entire country was experiencing and the strength the Chibas Movement had acquired among the masses.

In general terms, the Party was practically already falling in the hands of landowners, except in the country's capital, because whenever a popular party emerged here, it did not take long before the provincial leaders fell in the hands of landowners and the wealthy. That process was looming in the Orthodox Party. So, I joined a party with a great popular force and with totally revolutionary ideas, totally revolutionary ideas [repeats himself].

It is from here [words indistinct] or prepare the idea of how we had to carry out the revolution, given the conditions under which our country was. Then Chibas committed suicide; that party was left without a leader. We had to participate in the elections; we had to win the elections given those conditions. However, what could not be permitted was the dream that [pauses] ...in those elections, the victory of the Cuban People's Party, with the great support Chibas' death left it, was inevitable. I think about the times in which, from within the government and Congress, the ideas of a revolutionary plan and a popular uprising were conceived.

Starting from that moment on, I had all the conceptions and all the ideas. History will absolve me. I already had all the ideas, what these ideas were, how to go about it explaining them, what to do with them. That was the first revolutionary conception I was then able to prepare, merely six years after I enrolled at the university that month of September. I could say that it took me six years to acquire a revolutionary awareness and prepare a revolutionary strategy.

All that changed when the 10 March [1952] coup took place. All that process was interrupted, and a military regime was imposed by force. That was another challenge. It was not our plan to carry out a revolution; we thought that, by an elemental national interest and by an elemental patriotic honor, the opposition forces would collude to fight against Batista. We then began preparing ourselves for that moment, to fight together with the other forces in what we thought was an inevitable and essential fact in our country. We started preparing people here at the university. It was a secret operation. 1,200 26 July Movement [M-26-7] supporters went through this University Martyrs Room.

All I saw in Cayo Confite and all those problems taught me a great deal. Certain experiences we had in the first months of the clandestine fight taught us a great deal about how to work. We trained 1,200 M-26-7 people in this university with the cooperation from several FEU and university comrades.

I am going to say something else I have never said: I also had to clandestinely train the M-26-7 people at the university, because when the 10 March coup took place, there was a great deal of jealousy among students. There were people who believed that the 1933 events would take place again and that everything would come out of the university. Indeed, it did come out of the university, but it came out in another fashion. Then, I must bitterly say it: there was jealousy among students. I had to work in a clandestine fashion.

Among other things, what had happened? As the 10 March coup took place, the ousted government was the only one that had money and millions of resources of all sorts. It started moving all these resources to purchase weapons. Of course, those people strongly hated me. We would have to seek in the ALERTA newspaper the reports I wrote a few weeks prior to the 10 March coup. These reports occupied the banner headlines of the first page of the most widely available newspaper in the country at that time. This happened in February, January, February.

They [not further identified] intended to blame me for the coup, even though two other articles they were writing were not published. These articles were even worse; they were demoralizing. We did not have to go to Guatemala. Starting from the time Chibas committed suicide because he accused certain politicians of having farms in Guatemala and because he was unable to prove it, they pressured him; they pressured him so much, he got desperate and committed suicide. He used to say that we did not have to go to Guatemala. He started listing all those farms these people had and all the dirty businesses in which they were involved.

[Castro] My recently acquired legal profession was useful to look for all the deeds and documents at the property registries and elsewhere, which were presented with irrefutable evidence and had a great impact. Therefore, those individuals even tried to blame me for the decolonization which had resulted in a coup d'etat. This was a unfounded and senseless idea.

Well, in the meantime I met those having a tremendous hatred and jealousy at the university. I should say — so no one has any doubt — never ever on Jose Antonio's part, who always was a good comrade and a good friend. However, the problem was that there was a revolution and it looked like there were people who wanted to join the revolution. These phenomena did take place. Under these conditions, we organized the 26th of July Movement.

I believe a have taken a lot of advantage of your patience, but since I was brought here and since the FEU comrades asked me many questions when they invited me the other day, I had thought you would be interested in these matters and I decided to relate them. It is very unpleasant to tell matters in which one has been involved. I have tried to do so in the most impersonal way possible, although it had not cost me, although I had no choice but to tell you some of my life's experiences. That is why I always felt this affection for the university right where these struggles took place. I believe that in any history or examination I could make of my own life, none had more personal merit than those years of struggle at the university. [applause]

We remain united to the university in all the preparations for the 26th of July Movement. We participated at those demonstrations because we had some force, and I will say, we had evidence of this. There were many organizations and there were many individuals, the same individuals, involved in this organization, in that one, and another. We achieved an organization with 1,200 trained individuals. We used many legal procedures. I almost forgot to mention that the whole 26th of July Movement was organized absolutely under the law. [words indistinct] There I used to meet with each of the cells, which were sent here for training at the university and later to other places. It was a tremendous task mainly supported by the young people of the Orthodox Party, which, as I said, had much influence on the crowds and much sympathy among young people. A 90 percent of the comrades chosen came from the ranks of the young people of the Orthodox Party, yes, from the young people's leadership. However, as a result of our work, [word indistinct] we carried out that recruitment. Many good individuals came from various regions, like Artemisis and Altoa. We could only use about 160 of those in the Moncada Assault. However, for each man we used in the Moncada Assault and in Bayano, eight could not participate. Really we were able to make a good selection of the advancing groups, but everything was done under the law. There are a lot of stories and interesting anecdotes on what those months were like between 10 March 1952 and 26 July 1953.

I traveled 50,000 km in a small car I had, a Chevrolet 50315, which I had bought on credit and was constantly taken away. It broke down two days before the Moncada Assault. During that period, we rented cars. We did not work otherwise. You can imagine all of the conditions.

There was something favorable. Batista's police did not pay much attention to us because they were watching the Authentics, the Triple A, and all those individuals who had hundreds and thousands of weapons. The police knew we did not have weapons or resources. It seemed like a pastime. They did not consider us important. This helped us to work always under the law except on very seldom occasion when we had to keep discrete. What I have left to say is that although there were struggles and conflicts here at this university, which I have mentioned, a few individuals who were enemies here and some who wanted and planned to kill me joined the revolution movement a few months later in Sierra Maestra in the guerrilla. So many who were strong adversaries here joined the 26th of July Movement and they fought and some died. So you can see life's paradoxes and how times change. They had confidence and joined the movement.

I have always admired very much and felt much respect for the comrades who did this. I would like to tell them something. On a day like today we could feel the special satisfaction that 45 years ago, we found here a divided society and a divided university where the anti-imperialistic spirit had been forgotten and where very few Communists could hardly be counted on my fingers, and 50 years later we now have a very different university. You are the antithesis of everything we saw here. They were enthusiastic young people. They quickly mobilized for a demonstration. It was not a political conscience but a revolutionary one. It was the restless and rebellious nature proper of young people and the university's heroic traditions. Because we should unavoidably say here that upon arriving at this university, we were very quickly impregnated by the university traditions from the events [word indistinct] of 27 November prompted by the execution of students in [word indistinct] 21, to Trejos' death, to Meya's death, and [words indistinct] Villena, the history of those who died and who were not Communists like Meya and Villena, all of that history without going back to a more distant period, which was recalled here today like the presence of Che and Igancio Garamonte.

One walked into the university and could breathe an air of heroic tradition that had its effect on many, and had a particular effect in us. It was the atmosphere that this university had what we found, it was the raw material with which we worked. It becomes impressive to compare, highlight, the difference between the university of almost 50 years ago and the university of today. I am not going to get into figures, data, how many students and faculties we have. You know that full well. There were three universities at that time. Three! I am not sure the Santa Clara university existed then. In 1945, there was just one, this one.

If we compare what the university [word indistinct] is today, it suffices to say that the number of university professors is higher than the total number of teachers and professors that Cuba had before the triumph of the revolution. Without giving numbers, everything that the 539,000 graduates has meant.... [pauses] without mentioning that the university has been a bastion of the revolution, without mentioning that, it suffices to see the quality of the comrades who make up our Law School and university. Its atmosphere, its spirit. One cannot help feeling happy thinking that none of you would have to endure the tests that a student who enrolled in the university 50 years ago did. For that reason, one day when I came to the university, I said this happened after the triumph of the revolution. The suffering I endured in this university has a greater merit than everything I suffered in the Sierra Maestra. That is how it really was. You have been spared all of that and have a university like the one you have, professors like the ones you have, an awareness like the one you have, a historic task like the one you have. What an abysmal difference there is; you can prepare your programs and plans and participate in everything, do everything, and decide everything. You have the privilege of living in this period, which I would describe as the most glorious period in the history of Cuba. The special period will go down in history as the most glorious period in its entire life, in the life of our country. We are seeing a nation performing miracle, unheard of things, under the most unbelievable conditions. The course that was started here [passage indistinct] that took place a few weeks ago, under such difficult conditions, as no other Latin American country has endured, facing such a (?great) power. What I was telling you today comes to mean... [pauses] and in comparing it to today's, a kind of fate or fatalism that we have always been called upon to wage very difficult struggles against very powerful enemies, struggles here in the university against very powerful individuals, struggles against Batista, the struggle against the empire, and the struggle against the empire in a time of hegemony, the unilateral control over the world by practically one big power.

We have had the spirit and presence of mind to fight and resist. That spirit lives in our people. That spirit is like a seed that cannot die. We are also seeing that now in other peoples. They are gradually overcoming the blow, they are reacting, creating new forms of struggle. It will become increasingly difficult for the empire to govern the world. Perhaps they imagined everything had been settled for 1,000 years. Perhaps they dreamed of that Hilterite idea of a 1,000 year Reich Empire. In the face of a world that grows harder to govern, where more problems emerge all the time, 50 years later, we are all involved in the same struggle. But today, 50 years later, we can also say we will come out victorious. Who could have believed we would be able to resist one, two, or three months after the terrible blow we suffered? Who could have believed that five years following the disappearance of the socialist camp a revolutionary and socialist Cuba would be here fighting and resisting? Who could have said we would be doing the things we are doing now? Who could have imagined it? The world is starting to acknowledge not just our capacity to resist politically but our capacity to recover the economy gradually. It is a fact. We will pass this trial, and the trials we must pass. If fundamentalists succeed in controlling not just the U.S. Congress but the White House as well, we may face perhaps eight, nine, or 10 more years of blockade. I am certain, however, that today fewer and fewer people can doubt whether or not the country can resist. We will resist. I am seeing you today, your young faces, of the same age I was when I enrolled here. All the struggles that lie ahead of you! All the battles! But what excellent conditions you have to do that! You are united, counting with the support of the people, counting with the support of the party, the people, the government. Those profound ties that have evolved between us have allowed the unbelievable participation and union between students and revolution. We must protect that to the utmost. The enemy knows it.

What would they not give to separate the students from the revolution? What would they not give to separate the laborers from the revolution? The people from the revolution? And they have plans and made variations. We ask them on a day like this to continue being, with greater intensity, solid bastions of the revolution, invincible bastions, bastions that never surrender or give up.

On behalf of the heroes that we mentioned here today, such as [words indistinct], Agramonte, [words indistinct], Jose Antonio, who represents all of them, I urge you to do that: To ensure that our fatherland will be able to say that we have written the never written page and that we have won the never achieved company of the students, of all of them, from the pioneers to the university students.

It is a pleasure to think that the dreams of all those whom we are remembering are in our hands today. Only we can make such dreams solid, indestructible; only us, you, the workers, peasants, the people can make this miracle possible; this heroic resistance that we are maintaining.

We are experiencing this historic moment without any special merit, without being even a most basic model. I started by telling you how bad a student I was. Now, I never received a grade that I did not earn. I never pursued any major questions. I studied the courses. I have a brief academic record somewhere. I do not know whether there is much; I would have to find the details of the 47 courses that I studied in over a year. I was a free spirit. I studied and was involved in other activities, but my main focus was my studies. One year I registered 20 courses and 30 on the next year. It was not a craze to register courses. I had a need because I wanted to earn three law titles: Diplomatic Law, Administrative Sciences, and Doctor's degree in Political Sciences. I was short by three courses of which I had good knowledge. At that time I wanted to take a break to study political economics, but I needed a scholarship. To win a scholarship I had to [six-second break in reception] courses and I managed to do that, but developments at that time in Cuba changed my plans. I stopped pursuing that project and I got involved full time in the revolutionary struggle.

Do not think that I am modest. I accept all the honors bestowed on me as an act of generosity, friendship, and affection from all of you. I do not consider myself as a model and much less a model of a good student. I have tried to be a good revolutionary. I have tried to be a good combatant. And if someone wanted to emulate me, I beg you to imitate my few successes and avoid the many mistakes that I could have made.

Thus, with absolute and sincere modesty, I accept this act of affection with which you have honored me tonight, and that forced me to engage in the horrible task of talking about myself. Thank you very much. [applause]

Sugarcane Field Weeding Exceeds 1994 Figures

PA0809230595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Sep 95

[From the "NTV" newscast]

[FBIS Translated Text] More than 12,200 caballerias of sugarcane fields have been weeded by hand in Sancti Spiritus province so far this year. This is 7,000 more caballerias than in a similar period of time last year. This weeding is vital if the sugarcane industry is to recover in this province, which expects to host the 26 July anniversary of the revolution in 1996. And it is precisely this expectation which has prompted the mobilization of thousands of men and women to the sugarcane fields.

In August, for instance, and although it was vacation time, 1870 caballerias were cleared of weeds with hoes. This exceeds this year's plan by 170 percent and the 1994 figures by more than 1000 percent.

The total area planted with sugarcane this year, which is very important for a greater yield, is 5200 caballerias more than in the previous year.

In addition, the Panama mill of Camaguey province has been chosen among the country's sugar mills to make important investments on. Great hopes have been placed on this mill for the next sugarcane crop. The selection of this mill and the fact that 14 capital investments have been made on it is no mere chance.

[Begin mill official Angel Garcia recording] The largest investments have been made in steam generators, electric plants, and boiler rooms. The investment process we are completing, the pace of our work, and the quality of repairs can eliminate all of the difficulties experienced in the past few years. [end recording]

The process entails great responsibility but the workers deserve it.

[Begin unidentified worker] I work in the brushes and the lathe simultaneously so the work can advance at all times. [end recording]

Aquaculture Plays Important Role in Nation's Economy

PA0809231595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Sep 95

[Report by Bernardo Espinosa; from the "NTV" newscast]

[FBIS Translated Text] The cultivation and marketing of freshwater fish as a protein source has become more and more important in view of the country's economic situation.

Cuba possesses the necessary conditions for large-scale aquaculture with a considerable yield because of the large number of dams and reservoirs throughout the territory. Aquaculture plays an important role in meeting part of the Cuban people's alimentary needs.

Prior to 1991, aquaculture was virtually unknown in Ciego de Avila province. In the past four years, however, an infrastructure was created and made possible to attain a steady development in this field. Suffice it to mention the two fry centers that have been put in operation and which constitute the basis for the entire program.

While the Moron fry center is the country's second largest, the Gaspar center is the leader. These units have already delivered more than 129 million fry, which have been planted in dams and reservoirs in the country, including family fry ponds. The latter, however, have not progressed as desired and catch rates are still far from meeting the demand. Nevertheless, the more than 1000 tons of fish destined for the people's consumption last year are significant.

New perspectives have been opened for aquaculturists. A new entrepreneurial structure will be applied shortly, which is expected to increase production and greatly help improve the country's present economic situation.

Aquaculture Provides New Food Production Alternative

PA0809121395 Havana Tele Rebelde Network in Spanish 1700 GMT 25 Aug 95

[From the "National Radio News" newscast]

[FBIS Translated Text] Aquiculture is an alternative. The world's marine reserves are being depleted. An international conflict between several European Economic Community and Canada arose recently. The reason for the conflict was that the fishing fleet of the more developed countries are looking for new fishing areas because their catches are decreasing in the traditional zones, journalist Susana Tesoro reported.

The collapse of the balanced relationship between the exploitation of fish and the reproductive capacity of most marine species is near. Sea reserves are decreasing because of the massive and indiscriminate fishing exploitation. It has even been observed that several species, which are traditionally consumed by men, are starting to dwindle.

Demographic increases and economic needs, united to the depletion of regular ocean fishing activities, which men have carried out for ages, has triggered the appearance of a new economic activity, which is an alternative to the traditional aquiculture.

Aquiculture, the new system of fresh-water fish reproduction and breeding, started to develop in Cuba in the 1960s. Several water dams were build in the island during that period. There is an ongoing aquiculture development program in our country currently. It covers all the provinces, uses new technology, and gives priority to yielding economically efficient results.

Although we have still not seen, at least in the city of Havana, the presence of those products in the market, it is a well known fact that new fish species, such as tilapia and carp, have been bred throughout the country, including places where people did not have the habit of eating fish previously. The policy to further this important aquiculture program is positive because it really is another food production alternative, protects the excessive exploitation of the seas, and presents a different option for the Cuban's dining table.

Houseware, Clothing Stores To Open 9 Sep

FL0809141895 Havana Radio Progreso Network in Spanish 1100 GMT 8 Sep 95

[From the "First Thing" program]

[FBIS Translated Text] A number of stores are scheduled to be opened on Saturday [9 September] on downtown Monte Street in Havana. The stores will sell manufactured goods in the national currency. This was announced by Domestic Trade Minister Barbara Castillo during an address to the Commission on Services of the National Assembly of the People's Government. These stores will sell products such as shoes, clothing, underwear, and round fluorescent lamps, among other articles with various prices which will in certain measure correlate to the prices of the former parallel market.

Expert Evaluates Juragua Safety Features, Improvements

PA0809163295 Havana Radio Rebelde Network in Spanish 1700 GMT 7 Sep 95

[Report by Mireya Ojeda; from the "National Radio News"]

[FBIS Translated Text] Regarding the safety of Cuba's nuclear power plant, our correspondent Mireya Ojeda interviewed Engineer Osmany Perez, head of the technology department of that plant in Cienfuegos.

[Begin Perez recording] Juragua is no doubt one of the safest projects that is currently being developed for low-pressure type nuclear reactors in the world. The design of our central reactor makes it capable of sustaining, for example, an earthquake, [words indistinct], shock waves, the impact of flying objects, tornadoes, and wind loads. In addition, we have enough safety systems to mitigate the consequences of any accident that could happen, ensuring the protection of personnel, inhabitants, and the environment.

Currently, we are attempting to evaluate both the technical and economic feasibility of making improvements and modifications to our projects, which would help us, first of all, to optimize plant security, and second, comply with all current internationally established security requirements. [end recording]

Roundup of Economic Developments

FL0909130895

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 26 August.

In Las Tunas Province, over 20,000 caballerias of sugarcane have been weeded from January to date. During the same period of time, 16,500 caballerias of sugarcane were fertilized. (Havana Radio Reloj Network in Spanish 1932 GMT 21 Aug 95)

The British embassy in Cuba approved the first two projects to be financed by the British fund for cooperation with Cuba. The fund will provide $70,000 worth of office equipment to the new Cuban tax system office, and calculators, books, and teaching materials to the Economy and Planning Ministry's improvement center. Between April 1995 and March 1996 the fund will contribute approximately $240,000. (Havana Radio Rebelde Network in Spanish 1155 GMT 24 Aug 95)

Sherrit Canadian mining enterprise has donated $100,000 to finance Union of Young Communists programs in Havana, such as Cuba Vive festival, and other recreation activities which were held at the Malecon this summer. (Havana Radio Rebelde in Spanish 2300 GMT 26 August 95)

Haiti

Government Conducting Voter Mobilization Campaign

PA1109224595 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Sep 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] Just five days from the second round of legislative and local elections in Haiti, the government intends to mobilize the electorate, employing all means. A true electoral sensitization campaign via air has been initiated.

Yesterday morning the inhabitants of Port-au-Price were able to see that [word indistinct] a small single-engine aircraft was flying over the capital trailing a white streamer on which one could read: "We are going to vote" — a way to sensitize the Haitians so they will go massively to the polls next 17 September for the second round of Haiti's legislative and local elections. The first round took place last 25 June.

We recall that a few days before the first round was held, the Lavalas Political Platform [PPL] initiated a large-scale electoral campaign using a small plane and a streamer calling on the Haitian electorate to vote for "Around the Table", the coalition supported by President Aristide and the favorite following the preceding ballot. That initiative gave rise to much criticism of PPL. The other parties labelled the PPL action an extravagance. In any case, Smarck Michel, head of the Haitian Government — who is currently in Washington — seems to be very optimistic as to the success of the second round of elections. Michel said he is expecting a large number of candidates to participate in the second round of legislative elections — which is scheduled for 17 September — despite certain candidates' boycott threats.

During a news conference, Michel — who, along with Economy and Finance Minister Marie Michele Rey began a one-week visit to the United States on 4 September — said, further, that the presidential elections are still scheduled for the end of the year. I am expecting big — to not say total — participation in the second round of elections on 17 September on the part of the candidates, because despite the threats of boycott there are voters who want to vote for them.

Rejecting the idea of fraud in the first round but admitting that there had been problems in organizing that first round, Michel said the second round would be better organized. Numerous groups withdrew from the race during the first round, which was held on two separate dates — 25 June and 13 August — due to incidents in about 20 districts, involving eight of the nation's nine geographic departments.

CEP President Inaugurates Election Press Center

PA1109194695 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Excerpt] CEP [Provisional Electoral Council] President Pierre Michel Sajous opened an election press center on 9 September. The opening coincided with the start of a National Democratic Institute seminar on how Haitian journalists can better cover the campaign. Sajous stressed the importance of Haitian coverage of the elections, particularly as it relates to democratic consolidation. (Luis Costa Rivas), a Portuguese television representative in Washington, is conducting the seminar on election coverage. The CEP did not forget to praise the role the press plays in the electoral process. [passage omitted]

Aristide Commemorates Church Attack Anniverary

PA1109202095 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Sep 95

[From the "Waking Up" newscast]

[FBIS Translated Text] Today marks the seventh anniversary of the Saint Jean Bosco slaughter. You cannot miss the traffic circle at the corner of Boulevard Jean-Jacques Dessalines and the Delmas road, not far from Saint Jean Bosco Church. The Information and Coordination Ministry, following a presidential order dated 8 September, has issued a notice confirming that a monument at this traffic circle is to be in memory of the slaughter, and misery, of the women of Haiti, who were victims of all kinds of violence during the critical period of the coup d'etat. The Haitian head of state himself presided over the inaugural ceremony for this monument, a statue of a woman throwing her arms up in distress as she demands justice.

The Information and Coordination Ministry's notice indicates that the Presidency wants this monument to honor the victims of the [Bosco] slaughter and to remind viewers of the misery and violence that the women of Haiti faced daily during the three years following the coup d'etat. The notice says that the monument is to be built at the behest of the Port-au-Prince Municipal Council — headed by Mayor Emmanuel Charlemagne — and the Public Works, Transportation, and Communications Ministry — represented by Engineer Georges Anglade. As I said, the Ministry's notice indicates that the monument is a statue of a woman throwing her arms up in the air in distress as she demands justice.

President Jean-Bertrand Aristide, in addition to presiding over an inaugural ceremony for this monument, toured various churches in the capital. He first visited Sacred Heart Church, where businessman Antoine Izmery was killed, to inaugurate two effigies — in memory of Guy Malary, former justice minister in the Malval government, and Antoine Izmery, killed at Sacred Heart Church during the coup d'etat period. The president also laid wreaths in memory of these two victims of repression in Haiti.

Zedillo Protests U.S. Fishing, Farming Measures

PA1109152795 Mexico City NOTIMEX in Spanish 0007 GMT 11 Sep 95

[FBIS Translated Text] Topolobampo, 10 Sep (NOTIMEX) — President Ernesto Zedillo said here today that the United States should lift its embargo on Mexican tuna since Mexican fishermen have improved their fishing practices considerably. "There is no valid reason to maintain the tuna embargo. We stand firm in our position against the U.S. Government's policy," President Zedillo said in the northwestern Mexican port of Topolobampo, Sinaloa State. Zedillo told fishing sector representatives that Mexican fishermen will be defended against the actions of governments that have imposed restrictions and sanctions on Mexico in the name of protecting certain species. The United States banned tuna imports from Colombia, Costa Rica, Panama, Mexico, and Venezuela in May 1991, arguing that fishermen in these countries killed dolphins while fishing. President Zedillo said that great progress has been made in an effort to get the embargo lifted and that it is now expected that the U.S. Congress will address the issue. "We are justifiably awaiting the U.S. Congress to legislate, considering the fact that our fishermen have greatly improved their fishing practices," the president noted. U.S. legislators announced in San Diego, California, on 10 September that they will present to the U.S. Congress this month an initiative for the tuna embargo to be lifted and that they believed that this measure might end in 1996. President Zedillo traveled from Mexico City to Topolobampo, where as part of a working tour of Sinaloa State, he kicked off the beginning of the 1995-1006 deep sea fishing period. Zedillo announced that in the coming months a new financing plan will be defined for the fishing sector to modernize the fishing fleet and improve its infrastructure.

[Mexico City NOTIMEX in Spanish at 0918 GMT on 11 September carries the following Topolobampo-datelined report: "Francisco Labastida Ochoa, Mexican agriculture, livestock, and rural development secretary, has said that Mexican farmers reject the weekly quota scheme for tomato shipments to the United States. Labastida announced that an alliance has been formed to defend Mexican farmers against the designs of Florida vegetable growers to block Mexican tomato exports by implementing weekly quotas and increasing import duties. Labastida accompanied Mexican President Ernesto Zedillo on a working trip through the northern state of Sinaloa. Labastida said that, in coordination with the Foreign Relations Secretariat and the vegetable producers, 'we will participate in their defense' so that the provisions established in NAFTA are fulfilled. The secretary indicated that the proposal of the Florida farmers who want to assign weekly quotas on tomato shipments instead of the 'export windows' established in NAFTA 'lacks essence.' The Florida farmers, through their trade representation office, have tried to block the shipment of tomatoes under pretext that there should be a weekly, not a periodical quota, as established in the trade agreement. The treaty states that the first 'export window' is established for 15 November through 28 February, during which period 182,000 tons of tomatoes will be shipped and $2.39 per kg will be paid in duty. If the shipments surpass 182,000 tons, the duty increases to $3.30 per kg."]

Delegation Negotiates Energy Package With Cuba

PA1109230695 Mexico City NOTIMEX in Spanish 0307 GMT 11 Sep 95

[FBIS Translated Text] Havana, 10 Sep (NOTIMEX) — A Mexican Energy Secretariat delegation which negotiated an energy cooperation package between Cuba and Mexico returned home today after three working days on the island.

The delegation, which left Cuba without making any statements, discussed with Cuban officials the postponed $200 million joint investment to operate Cuba's largest refinery in Cienfuegos, 297 km southeast of Havana.

The project agreement also includes Mexico's eventual supplying of crude oil, ammonia, and urea to Cuba, as well as bilateral technical cooperation in the exploitation of natural gas and the substitution of kerosene by LP [liquid propane] gas in the island.

Plans for cooperation include a study regarding the exploitation of nuclear energy and Mexican counsel in the development of the electric power industry.

The delegation included Luis Garcia Cardenas, director of International Affairs of the Energy Secretariat, Manuel Ortiz de Maria, coordinator of the institution's advisers, and Rosendo Zambrano, of PM [Mexican Petroleum] International, and affiliate of Mexican Petroleum.

Belize

Government Honors Extradition Treaty With U.S.

*FL1009210295 Bridgetown CANA in English
1543 GMT 10 Sep 95*

[FBIS Transcribed Text] Belize City, Sept. 10, CANA — The Deputy Prime Minister of Belize, Dean Barrow, says he is hoping that the extradition of a Belizean national to the United States will send a clear message to fugitive offenders:

"Belize will no longer be a sanctuary for fugitive offenders," Barrow commented Thursday [7 September] as 26-year-old Michael Anthony Leslie of Crooked Tree Village became the first Belizean national to be extradited to the United States. There he will stand trial for the September 1993 murder of Los Angeles, California resident Transito Francisco Velardo.

The request for Leslie's extradition was made by the U.S. Government under the 1972 Extradition Treaty between the United States and the United Kingdom, which was extended to Belize in 1976. This treaty continued to apply to Belize after Independence and was confirmed by the then prime minister and the minister of Foreign Affairs of Belize, George Price and Said Musa, in a letter dated September 29, 1982, addressed to the secretary general of the United Nations. Under this Treaty, each party is obliged to surrender to the other party any person who is alleged to have committed any of the specified offenses in the territory of the other party. The solicitor general, Gian Ghandi, says neither party is given any discretion to refuse to extradite its own nationals.

Proceedings for Leslie's extradition commenced before the Chief Magistrate Adolph Lucas mid-August, and at the end of the proceedings late last month, the chief magistrate made an order for the surrender of Leslie to the United States. Lucas gave Leslie a 15-day grace period to appeal the ruling in the Supreme Court. Leslie did not appeal.

Barrow, who is also the attorney general and minister of Foreign Affairs, said that as a responsible and democratic country, Belize will honor its international treaty obligations.

The Belize Foreign Ministry says Government of the United States has commended the Belize Government for its respect for international law and treaty obligations.

El Salvador

Economic Measures Yields 'Good Results'

*PA0809144295 San Salvador Radio Cadena YSU
in Spanish 1800 GMT 6 Sep 95*

[Report by Carlos Ramos from the "YSU Radio News" newscast]

[FBIS Translated Text] The country's economic measures have yielded good results according to Economy Minister Eduardo Zablah. The official said there are times in which production levels drop, but said these changes are temporary.

[Begin Zablah recording] We experienced an increase in prices in July, which we said was going to occur because the implementation of the value-added tax was going to have an effect on prices. It should stabilize later on. Inflation was 1.7 percent in August. We are no longer talking about extremely high interest rates; these are normal interest rates. There was an 8.8-percent cumulative inflation rate as of 31 August. The economy is moving along the right path, even though there was a slow growth in sales in August. Any industrialist, any merchant can tell you that August is the worst month of the year. Sales drop after the holidays. September is also a bad month. Sales start to pick up in October. The best months are November and December. That is the normal cycle. [end recording]

Zablah also said El Salvador is coordinating access to international markets. He also talked about restrictions and tariffs imposed in different products.

[Begin Zablah recording] The first meeting we will hold will be to work on the creation of an integrated data base. We will eventually work on the formation of tariff codes and the removal of all barriers as well as seek the uniformity of tariff barriers for the establishment of a free trade zone. The deadline for all this is the year 2005. [end recording]

The Central American Economic Committee meets periodically to discuss various aspects, one of which is trade with Mexico, which has shown an interest in establishing economic relations with the Central American region. A coordination process is under way to hold the first meeting, he said.

Guatemala

Belizean Troops Enter Territory at Chiquibul

Army Deploys 'Immediately'

PA1209033795 Paris AFP in Spanish
2341 GMT 11 Sep 95

[FBIS Translated Text] Guatemala City, 11 Sep (AFP) — The Guatemalan Army deployed troops to the border with Belize, after it was reported that uniformed troops from that country had entered Guatemalan territory over the weekend, Guillermo Caal, military spokesperson announced on Monday, admitting there "is tension" in the region.

Caal announced that the Army will set up a detachment in the border region where the incursion occurred in the region of Dolores, department of Peten, over 400 km northeast of the capital.

The Information and Press Department of the Army (DIDE) confirmed that last 27 August Belizean troops threatened a group of peasants in Chiquibul, located in that region.

The DIDE stated that the Guatemalan Army "immediately" deployed troops to the region.

According to Caal, Guatemalan officers have talked with Belizean officers, getting them to withdraw from the region, but tension still prevails between the neighboring countries.

Guatemalan Foreign Minister Alejandro Maldonado told AFP that he has summoned Miguel Mena, the Belizean charge d'affaires in Guatemala, asking him "to give an explanation."

He said Guatemala will lodge a "formal protest" over the incursion of Belizean troops.

Maldonado said he asked the Army "to offer protection to Guatemalan citizens," which is why as of Tuesday a military detachment will be deployed to that border region.

Caal explained to newsmen that "for security reasons" he could not say the number of troops that were dispatched.

Guatemala maintains a territorial dispute over all of Belizean territory. Belize was granted its independence in 1981 by Great Britain and the United Nations recognized the determination.

In September 1991 Jorge Serrano, who was then president of Guatemala, recognized the independence of Belize and established diplomatic relations with it in a move that is still criticized in political circles. The Constitutionality Court (CC) of Guatemala maintains that the country has still not given up on its territorial claim.

"There is no existing agreement which delimits the border," Foreign Minister Maldonado explained. He said, however, that this does not justify the incursion "considering the troops arrived in Guatemalan territory that is clearly marked and owned by the peasants."

According to the morning newspaper PRENSA LIBRE, which cites its correspondent in the region, the Belizean troops threatened to burn corn plantations belonging to the peasants if they did not leave the region before December. This gave rise to the complaint that was made on Monday.

Vice President Warns Belizean Military

PA1109171595 Panama City ACAN in Spanish
1532 GMT 11 Sep 95

[FBIS Translated Text] Guatemala, 11 Sep (ACAN-EFE) — Guatemalan Vice President Arturo Herbruger has censured the Belizean military, warning that he will resort to force if raids on the northern Peten Department continue. Herbruger told the local PRENSA LIBRE newspaper today that the Belizean militia continuing to violate Guatemala's sovereignty could lead to an armed conflict between the two countries. Belizean troops entered Monte de los Olivos hamlet, Dolores Municipality, over the weekend, torching a thatched dwelling and threatening to burn peasants' crops if the peasants do not leave the area before December. Herbruger said that the actions of the former British colony, which the Guatemalan Government of Jorge Serrano (1991-1993) recognized as an independent state, is "contemptible and improper." Herbruger said that Guatemalan President Ramiro de Leon Carpio should protest the action and tell Belize to stop the raids and that the Guatemalan Army should patrol the border and take defensive action. The Armed Forces have yet to issue an official statement on the incident. Herbruger said that Guatemala maintains its claim over the territory of Belize in litigation that has lasted for more than 150 years. Dolores Mayor Carlos Obando says that Belizean troops repeatedly harass the nearly 200 peasant families living in the zone that was raided. The mayor has reported the situation both to the UN Mission for Guatemala, which verifies compliance with human rights, and Peten Governor Manuel Gongora.

Says Raids Could Lead to Armed Conflict

PA1109233195 Guatemala City PRENSA LIBRE in Spanish 11 Sep 95 p 4

[FBIS Translated Text] Guatemalan Vice President Arturo Herbruger Asturias asserted yesterday that the

Belizean troops' invasion of the national territory, of the rural communities in Dolores, Peten, could lead to *an armed conflict between the two countries, if the neighboring soldiers continue to violate Guatemalan sovereignty.*

Belize's action is totally censurable, obviously inadmissible, and could even lead us to an armed conflict,Herbruger Asturias underscored.

He said President Ramiro De Leon Carpio has to immediately warn the Belizean Government,*to stop the situation from getting worse.*

Last Saturday, Colores Mayor Carlos Augusto Obando Tzin told the PRENSA LIBRE correspondent in Peten that Belizean troops had raided national territory and threatened to evict the approximately 200 families who live in Monte de los Olivos community and to burn their crops if they do not abandon those lands before December. To validate their threat, the Belizean soldiers burned down a warehouse used by our fellow citizens to store basic grains.

Vice President Herbruger insisted that Belize's attitude*was totally censurable and deserved a strong protest.*

He said De Leon Carpio and Foreign Minister Alejandro Maldonado Aguirre are the ones who have to take a stand on this incident so as to avoid an *armed conflict.*

The Army Has To Be on the Defensive

Herbruger also believes that the Guatemalan Army has to patrol the border area between Guatemala and Belize to stop any future incursions. *Furthermore, the Army can take defensive actions at the border, as well as patrol the sector,*he stated.

He recalled that the two countries have a territorial conflict because Guatemala claimed this territory after the UK granted its*independence*and now, in addition to this, Belize is attempting to appropriate areas that belong to Guatemala. *What is happening is that Belize wants to appropriate the land that is more to the West, while Guatemala continues to respect what was signed in 1854, when the borders were delimited,*he recounted.

The Guatemalan vice president reiterated that President De Leon Carpio and the Guatemalan Foreign Ministry are the ones who have to protest against the territorial violations carried out by the Belizean Army.

Honduras

Salvadoran Ties 'Strained' After Border Incident

PA1109160895 Panama City ACAN in Spanish 1205 GMT 11 Sep 95

[By Luis Alfredo Martinez]

[FBIS Translated Text] Tegucigalpa, 11 Sep (ACAN-EFE) — Honduran-Salvadoran relations are strained once again, following a new border incident that took place shortly before the third anniversary of a judicial decision that settled the century-old conflict between the two countries.

Honduras filed a protest with the Salvadoran Government on 8 September following a raid on a village that Honduras claims as its own. A National Civilian Police [PNC] patrol tried to capture a mother and daughter reportedly charged with selling marijuana. Hermelinda Erazo de Hernandez (50) and daughter Maria del Carmen Hernandez (22) were brought before a judge in San Ignacio, Chalatenango Department, and arrested.

Honduran Foreign Minister Delmer Urbizo protested the Salvadoran police's "violation of national sovereignty" and said that he will ask El Salvador to repatriate his two fellow countrywomen.

The incident occurred as the two countries seek to sign a protocol to guarantee the ownership, property, and nationality rights of the residents of the six former disputed border areas. El Salvador has yet to take an official position on the Cayahuanca incident, which Urbizo described as "unspeakable."

Honduran authorities reported that the arrest took place in Cayahuanca, Ocotepeque Department, one kilometer inside Honduran territory, on 4 September. The PNC in San Salvador affirmed that Cayahuanca lies inside Salvadoran territory, in Chalatenango Department.

Urbizo said suspicions that the women were trafficking marijuana in El Salvador did not entitle the Salvadoran police to enter Honduran territory to arrest them.

Honduran sources claim that Cayahuanca was never part of the 436.9 sq km which the two countries disputed from the 19th Century until 11 September 1992, when the International Court of Justice [ICJ] issued a ruling that settled the conflict. The two countries waged a war over the border issue and economic and social conditions in 1969 and restored their relations with a peace treaty signed in Lima, Peru, in 1980.

The biggest obstacle to the current round of talks on border guarantees is dual nationality, which El Salvador requests for the Salvadorans who remained in Honduran territory after the ICJ ruling.

The Salvadoran Constitution establishes the right for dual nationality, but the Honduran Constitution does not and, in addition, forbids foreigners to own land 40 km from the border.

Oscar Rodriguez and Fernando Saenz, Honduran and Salvadoran archbishops, respectively, agreed on the need to ensure the dual nationality of those affected by this process in the old territories in dispute. "El Salvador and Honduras should try to preserve a deep sense of the dignity of persons regardless their nationalities," Saenz said after officiating a mass in the San Salvador cathedral on 10 September.

The disagreement is also reflected in the number of persons reported as residing in the former areas in dispute. While El Salvador reports that there are 13,000 Salvadorans and from 2,000 to 3,000 Hondurans, Honduras says there are some 5,000 Salvadorans and some 1,000 Hondurans.

Both governments have admitted that the absence of land guarantees in the former disputed areas has provoked "chafing" between families of the two coutries but that this situation has not led to violent actions so far.

Salvadoran President Armando Calderon Sol said in San Salvador: "We advocate dual nationality. In reality, what we want is absolute respect for the Salvadoran people, their land, ownership, and status, as defined by the decision."

In addition, Ramon Gonzalez, the new Salvadoran foreign minister, has said that, despite the Honduran Constitution's ban, Honduras should respect the Salvadorans' rights because the ICJ ruling overrides local legislation.

In Honduras, the controversy over dual nationality — in which the Catholic Church has mediated on behalf of Salvadorans — has been focused on whether or not the Constitution should be amended, an idea rejected by many sectors. The issue caused disagreements in the government of Honduran President Carlos Roberto Reina, disagreements which forced the resignation of Enrique Ortiz Colindres, president of the juridical commission negotiating the protocol, who disagreed with Urbizo.

The talks over the protocol will continue in Tegucigalpa on 19 and 20 September.

The demarcation of the 375 km-long border was resumed in August. Only 80 km of this border have been demarcated.

Nicaragua

'Historic' Amparo Law Reforms Passed

PA1109222095 Managua EL NUEVO DIARIO in Spanish 7 Sep 95 pp 1, 8

[Report by Edgard Barberena S.]

[FBIS Translated Text] The National Assembly shielded the political Constitution with "armor plate" yesterday when it reformed the Amparo Law and established the inadmissibility of unconstitutionality suits against the reforms or amparos against legislative acts or processes related to the dismissal of officials who enjoy immunity.

The historic step taken by the Legislative Branch occurred when reforms to Articles 6 and 51 of the Amparo Law were approved by a vote of 71 yeas — 92 percent of total legislators — two nays by Fernando Zelaya and Gustavo Tablada, and two abstentions.

Internal Rebellion

The approval of the reforms aborted the actions against them in which [Presidency Minister] Antonio Lacayo involved the ministers and his wife Cristiana Chamorro, according to deputies and journalists who followed the debates of deputies who are lawyers. There was even an internal rebellion because many deputies who are described as pro-government voted for the reforms.

Once the debate started a consensus motion on the reform of Article 6, which was signed by Gustavo Vega, Cairo Manuel Lopez, and Carlos Morales and supported by the plenary session, was presented. It was passed by a vote of 65 yeas, one nay, and 9 abstentions. The Article now reads:

"An unconstitutionality suit may be filed by any citizen or citizens when a law, decree, or general regulation, or any regulatory act that is inferior in rank to the Constitution violates the letter of the Constitution." "Thus, no unconstitutionality suit may be filed against the Constitution and its reforms unless procedural mistakes in processing, discussion, or approval are claimed."

Article 51 of the Amparo Law was reformed by a vote of 61 yeas, four nays, and no abstention [figures as published]. This article now reads as follows: Petitions for amparo are inadmissible: 1) Against the resolutions of judicial officials in matters under their jurisdiction; 2) Against the drafting process of a law, its promulgation, and its publication, or any other legislative act or resolution; 3) Once the effects of the act no longer exists or it was completed irreparably; 4) Against actions which were expressly or tacitly consented to by the injured party. It these actions have been allegedly consented to — for which reason an Amparo petition was not filed within the legal deadline — without dismissing the possibility of the suspension of the terms established by common law; 5) Against resolutions issued in electoral matters; 6) Against actions regarding the reorganization of the branches of government and the appointment and dismissal of officials who enjoy immunity.

Article 3 of the reform bill sparked another heated debate between the government minority and the parliamentary majority. When brought to a vote, the measure was approved by a vote of 63 yeas, nine nays, and three abstentions. Sixty percent of the total votes were needed to pass the Amparo Law reforms.

No Possibility for a Veto

The reform was approved as follows: "The current law shall be published and promulgated immediately by the president of the Republic, who may not exercise his power of veto according to Articles 141, 194, and 195 of the political Constitution of Nicaragua. It will go into effect following its publication by any of the media without detriment to its later publication in the "Official Gazette", the official diary; and will apply to trials and unconstitutionality suits, or amparos, which may currently be under way."

Here, Parliament transcribed what is already provided for since 1905 in Article 20 of the Preliminary Code of Civil Code, which orders that a new law be applied to the formalities and procedures of any cases before the courts, solely and exclusively respecting their deadlines.

Debates at the Plenary Session

Before the voting took place, debates regarding the historical step of the AN [National Assembly] centered on the current role of the parliament — as a result of the enforcement of the constitutional reforms — and the goals of the administration to upset the constitutional order because of the ambitions of Antonio Lacayo.

Lawyer Gustavo Vega said, referring to the "security locks" built-into the reforms, that the intention of these reforms is that the laws not conflict with the Constitution "which is not only a safeguard of the constitutional rights of individuals, but a guarantee of constitutional supremacy."

The administration's position was upheld by Dr. Fernando Zelaya Rojas, who acknowledged the position presented by Gustavo Vega, but insisted on the so-called "violation of human rights" to restore the right to resort to unconstitutionality suits against the reforms. Zelaya acknowledged that everything that was debated in the AN was directed against the suits presented by the government ministers.

Cairo Manuel Lopez, leader of the Christian Democratic Union faction, has said that the amendment of Article 8 of the Amparo Law precisely establishes the principle of authority of the Constitution over any other ruling and that an unconstitutionality writ cannot alter the Constitution's basic layout.

Lopez said that he was surprised by Zelaya Rojas' "trying to tell us that certain regulations are part of the juridical system and that such regulations can indeed allow for an unconstitutionality writ." Lopez pointed out that the Constitution does not include unchangeable standards, which some constitutionalists call stone-like standards.

"This Constitution is not a granted constitution. Unlike the introductions to the constitutions of Saudi Arabia or the Vatican, no king came to us saying: Nicaraguan people: Without any authority asking us, we hereby decree the following constitution of our own free will. This Constitution cannot be decreed as if a ruler, nostalgically recalling the monarchy, had reserved for himself a number of rights which he can invoke before certain people," Lopez said, who added that this brings to his mind "Devil" Zelaya's role of "Casandra" and Cicero and Catiline of Punic Wars fame. Cicero asked Catiline: How longer, Catiline?

"We are witnessing the collapse of the authoritarianism of sectors who believe there still exists a monarchic regime where rights that existed before the Constitution can be invoked," Lopez finally said.

Danilo Aguirre hit the nail on the head by telling those who were upset by EL NUEVO DIARIO reporting the Amparo Law amendments: "Beyond any Casandra's depiction of what the future has in store for us, there lies the unstoppable ambition of a government official who wants to perpetuate himself in power through his nepotistic relationship with the current president."

Aguirre said that it is the state ministers who played a poor role because many of them were forced to endorse the unconstitutionality recourse against their will. The ministers have already admitted in private that they were forced to make laughingstock of themselves by implying that a minister who has power and resources (pick-up trucks, travel expenses, and government money) which he has been spending on PRONAL [National Project], runs for public positions in competition with common people.

Aguirre said that the amendment of the Constitution — which is not new because it already existed in the 1911 Constitution — "is more than justified by the ambition that overcomes this relative of the president of the Republic." Aguirre also went over Labor Minister Francisco Rosales again for good measure.

Aguirre mentioned the so-called ministers' human rights, but pointed out that "the human rights of the rest of the Nicaraguan people are not mentioned. Does any Nicaraguan citizen not have the right to run for a public post in equal terms with others instead of against ministers' vehicles — some of them cost as much as $70,000 in government money — travel expenses, power, and resources? Is it not our duty to preserve the equality in the electoral competition in the law. This is what we do." Aguirre, who is also president of the Justice Commission, added that the Constitution admits no comparison with any supranational human rights treaties.

Another participation that enriched the debate and opposed "Devil" Zelaya's position were that of Edmundo Castillo Ramirez, who said that Zelaya had been removed solely by political rather than legal arguments. Castillo also mentioned probable attacks and influence.

A different position was assumed by Hernaldo Zuniga who said the arguments advanced by those who oppose the Constitution amendments are political rather than juridical. Zuniga said that 99 percent of the Nicaraguan lawyers "agree that an unconstitutionality recourse against the Constitution is illegal, a position duly represented by seven Supreme Court of Justice rulings since 1921."

Chamorro 'Concerned' About Reforms

PA1109230795 Managua EL NUEVO DIARIO in Spanish 9 Sep 95 p 8

[Report by Aura Lila Moreno]

[FBIS Translated Text] President Violeta de Chamorro is "concerned" about the approval of the initiatives to reform the Amparo Law and to repeal nine "catchy" decrees that the Executive Branch issued after signing a political agreement with the Legislative Branch to end the institutional crisis.

Chamorro, taking advantage of the event businessmen held yesterday to mark their day, said that, with the approval of the reforms to the Amparo Law, "the citizens' right to resort to an amparo in light of actions the National Assembly may take in the process of approving laws or reforms to the Constitution will be suppressed."

"They want to deny the Executive Branch's constitutional right to issue administrative decrees. In addition, several legal limbos wil be created as the right of many ministries and autonomous entities are suppressed, leading to adverse consequences for the private sector and the Nicaraguan economy," the president maintained.

Following are the decrees that the Executive Branch issued allegedly after the National Assembly approved the Framework Law and the constitutional reforms and that the Legislative Branch repealed: 24-95, 26-95, 27-95, 28-95, 29-95, 30-95, 31-95, 36-95, and 39-95.

According to Deputy Danilo Aguirre, with most of these decrees, the government intended to centralize in two state ministries all matters regarding oil concessions, geothermic plant privatizations, natural resources sales, the creation of public companies, and privatizations.

Hours before Dona Violeta's public reaction, the presidency had issued a communique stating that the aforementioned decrees were issued prior to the approval of the constitutional reforms and arguing that the delay in the circulation of the Official Gazette "could never justify the unawareness on the Executive Branch's right to enact such decrees."

Furthermore, the Executive Branch maintains that, even under the reformed Constitution, the president of the Republic is authorized to issue executive decrees on administrative matters, such as decree 24.95 on coffee reserves.

In this regard, Deputy Hernaldo Zuniga explained that this decree was repealed because "the manner in which the government enacted it constitutes a new tax disguised as an administrative update."

During her speech to businessmen, President Chamorro called on parliamentarians to "rectify such negative attitudes."

Government Criticizes Repeal of 9 Decrees

PA1209013495 Managua LA PRENSA in Spanish 8 Sep 95 pp 1, 16

[Report by Cesar Ubeda Bravo]

[FBIS Translated Text] The government of the Republic of Nicaragua, through a communique today, criticized the National Assembly for repealing nine executive decrees, and it warned that this action could seriously affect the nation's political stability.

"This action (by the legislative branch) violates the Framework Law [Ley Marco] and exposes a confrontational spirit against the Executive Branch that contradicts the consensus seeking efforts that had characterized previous months, and this could seriously affect the nation's political stability," the communique stated.

The National Assembly yesterday repealed nine executive decrees, which appeared on issue 118 of LA GACETA on 17 August 1995, that they described as "predated."

Those decrees were 24-95, 26-95, 27-95, 28-95, 29-95, 30-95, 31- 95, 35-95, and 39-95. Several of them transferred the duties of autonomous institutions such as INE [Nicaraguan Institute of Energy], INAA [Nicaraguan Waterworks and Sewer Systems Institute], and Telcor [Nicaraguan Telecommunications and Postal Services] to the Ministry of Construction and Transportation (MCT), and the Ministry of Economy and Development (Mede).

That is, petroleum concessions, privatization of geothermal plants, sale of natural resources, creation of public companies and privatizations, among others, were centralized at the MCT and Mede.

According to the deputies, those decrees were "predated" and violate the Political Constitution and the Framework Law.

These decrees dated 26 June did not appear until 17 August on issue 118 of LA GACETA. The parliamentarians argue that the government acted dishonestly because if these decrees had really been issued in June they would have been published then.

The government, however, claims that these decrees were issued before Law 192 on constitutional reforms.

Yesterday, during a meeting of the Joint Executive-Legislative Commissions, the ministers asked the parliamentarians to "freeze" the repeal of the said decrees.

"We have no doubt that these decrees were predated and that they want to impose their arrogance. They must rectify and respect the independence of state branches," said Danilo Aguirre Solis, who revealed that the presidency's legal adviser hatched the plan of the "predated" decrees.

Meanwhile, Alfredo Cesar advocated the repeal of the decrees because the Executive Branch violated the Framework Law. "This must stand as a clear political message for the president and her cabinet," he added.

National Assembly President Dr. Luis Humberto Guzman announced that this state branch will appoint a special commission to discuss state reorganization with the Executive Branch.

Yesterday the deputies also repealed Executive Decree 19-95, on the destination and administration of revenues coming from the sale of Telcor stock and concessions, because they created an atmosphere of instability between the National Assembly and the Executive Branch.

Deputies consulted by LA PRENSA yesterday played down the ministers' warning that they will resort to the Supreme Court of Justice (CSJ) to challenge the reforms to the Amparo Law, and they assured that the Judicial Branch will guarantee the supremacy of the Constitution.

Deputy Cairo Manuel Lopez said that "the CSJ will rule about the constitutionality of the reforms to the Amparo Law and I am certain that it will rule to maintain the supremacy of the Constitution, as stated without any doubt by Article 182 of the Constitution.

"The CSJ cannot rule in favor of something that will stand for a return to authoritarianism and continuation of a family through a political project, and that is what the ministers want," Lopez added.

Deputy Nicolas Bolanos Geyer, member of the Joint Commission of the Legislative Branch, said that several ministers yesterday advised them "so that they would not be frightened" that they will challenge before the CSJ the constitutionality of the reforms to the Amparo Law that the Parliament approved on 6 September.

Those reforms established that challenges [recursos] against the Constitution and its reforms are inadmissible. It also stated that petitions for amparo against the process of drafting, promulgating, and publishing a law or any other act or legislative resolution are also inadmissible.

The ministers, through a communique, noted that the reforms to the Amparo Law to exclude challenges due to constitutional violations that could be filed during the process of approving a constitutional reform or of issuing a law "exposes the National Assembly's intention to place itself above the existing juridical framework."

According to Lopez, the ministers' announcement shows once more that they have felt extremely comfortable while ruling with the Sandinist constitution of 1987.

"The ministers have always opposed the reforms. They will never agree with anything that means progress in the democratization of Nicaragua. They will continue to do the impossible to further sabotage democratic changes," Lopez added.

Dr. Danilo Aguirre Solis said that the ministers have the right to petition for amparo, but this only shows that the president will soon promulgate the law without the National Assembly even ordering its publication.

"The only thing the ministers are doing is to put the CSJ in a tight spot again and again, because they first filed an unconstitutionality suit against the Constitution and they are now filing another suit against the impossibility of filing such suits," Aguirre noted.

Deputy Hernaldo Zuniga, former CSJ magistrate, said that the rules used to reform the Amparo Law are perfectly based on constitutional provisions and the Civil Code of the Preliminary Title.

Meanwhile, National Assembly President Dr. Luis Humberto Guzman described as hasty the ministers' announcement that they will file an unconstitutionality suit against the reforms to the Amparo Law.

"I think that this is a hasty and unnecessary attitude. The reform (to the Amparo Law) is clearly constitutional and in defense of the legitimacy of the country's institutionalism," Guzman said.

He added that he does not expect to see a ruling in favor of the ministers "because of the constitutional legality that has characterized the National Assembly's actions."

Panama

PRD Criticizes Meeting With Clinton

PA1209002295 Panama City LA PRENSA in Spanish 10 Sep 95 p 4A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] The Democratic Revolutionary Party (PRD) has become the target of ridicule and harsh criticism from the opposition that is knocking the party's anti-Yankee past ever since its secretary, President Ernesto Perez Balladares, talked last week with President Bill Clinton in Washington about the military bases.

Perez Balladares met last Wednesday [6 September] in the United States with President Clinton, after which it was announced that they had agreed to hold "explorative conversations," [preceding two words in English] (conversaciones exploratorias) on the permanence of a U.S. military fighting strength in Panama beyond the year 2000.

In Panama City, President Perez Balladares' decision unleashed a political storm within his party, whose leaders reacted with evident irritation while opposition sources insisted that "el Toro" [Perez Balladares' nickname that translates the Bull] has "made the PRD taste its own medicine."

Toro Has Gored the PRD

From PRD President Gerardo Gonzalez to former Legislator Luis "Lucho" Gomez, and including Benjamin Colamarco — the former commander of the Dignity Battalions — as well as Legislator Miguel Bush, all have voiced their dissatisfaction with one of the latest gorings by Toro that has destabilized the party created by Omar Torrijos.

However, former President Guillermo Endara, former Foreign Minister Jose Mulino, and Carlos Abadia laughed and accused the PRD of practicing false nationalism.

When he heard about the "explorative conversations," visibly irritated PRD President Gonzalez shouted: "I will vote against that."

Gonzalez, a close associate of Perez Balladares whom local political circles consider "a hard-line man" within his party, does not waste opportunity to lash out against the U.S. Government.

Group To Oppose the Renegotiation of the Bases Will Be Created

Colamarco also joined the criticism and assured that in the event the issue is taken to a referendum, he — together with other Panamanians — will form a group that would tour the country voicing fierce opposition to the initiative.

The United States keeps some 7,000 soldiers in Panama in 10 defense sites that should be dismantled by 31 December 1999 according to the Torrijos-Carter Treaties.

The Treaties Must Be Complied With

Former Foreign Minister Oyden Ortega Duran, who is a legislator in the Legislative Assembly, feels that the Torrijos-Carter Treaties "should be complied with to the letter."

Ortega Duran, who was part of the Panamanian team which negotiated the canal treaties, said that Foreign Minister Lewis Galindo — who does not belong to the PRD, but to Solidarity Party — will be summoned by the Legislative Assembly to explain the reach of the agreements between Clinton and "Toro" Perez Balladares.

U.S. official sources assure that it is necessary to maintain in Panama a military fighting strength beyond the year 2000 that will serve as a spearhead in the struggle against drug trafficking in the hemisphere.

Sad Day for the Country

Lucho Gomez, who closely collaborated with Torrijos as well as with his successors at military headquarters, insisted that "this (last Thursday) is a very sad day for the country, because it has uncovered the true objective" of the 1989 U.S. invasion of Panama.

On 20 December 1989, approximately 30,000 U.S. soldiers invaded Panama, dismantling the Army and capturing (he actually turned himself in without a single shot being fired) General Manuel Noriega who is serving a 40-year prison term in the United States for narcotics trafficking.

Gomez stated that "now we will see false Torrijistas and false nationalists in addition to those who want the U.S. military."

During his days as student leader, Lucho Gomez was part of a special commando group created by Torrijos that was planning to blow up with dynamite the canal locks in case the United States did not sign the treaties. That operation was known by code name: "I smell something burning" [huele a quemado].

The President Should Give Explanations to the PRD

PRD Legislator Miguel Bush also said that "if we hold a referendum, I will vote against any negotiations on the treaties or bases because if someone wants to conduct negotiations, this will have to wait until after the year 2000 when the pacts have been fulfilled."

Bush added that "the party's political committee (to which he belongs) will have to meet when Perez Balladares returns to the country (from his tour through Asia) to analyze coldly this decision, because this is a sensitive issue."

PRD Members Used To Say They Would Give Up Their Lives so That the Treaties

Would Be Complied With

Ever since the PRD was created by Torrijos in 1978, its leaders and activists upheld an anti-U.S. policy, demanding strict compliance with the treaties that put an end to U.S. military presence in Panama.

Some of the slogans the PRD people used to shout before Toro took over power and make a 180-degree turn were as follows: "Yankee animal, get out of the canal;" "Anglo-Saxon Yankee, get out of Ancon Hill;" "They sure as hell are getting out;" "If they don't get out, we'll kick them out;" "Yankee, go home;" "For Panama, I'll give my life;" "Carter, to the execution wall;" "Bush, to the execution wall;" and "Reagan, to the execution wall."

Many of the PRD militants — including Lucho Gomez, Health Minister Aida de Rivera, Housing Minister Francisco Sanchez Cardenas, and Benjamin Colamarco, among others — formed part of the Panamanian militias created by Noriega to confront the U.S. invasion.

Yesterday: "Yankee, Go Home"; Today: "Explorative Conversations" [preceding two words in English]

The opposition found in the issue of the "explorative conversations" [preceding two words in English] a never-ending source for mocking and attacking the PRD, a party that defeated them in clean elections held in 1994, recalling that "yesterday they were the nationalists, and today they explore the idea that the U.S. military stay."

Former foreign minister Jose Mulino chastised that "the PRD itself will now have to go against its own destiny."

Nonetheless, the harshest one was Endara whom the PRD people call "honey bun."

With a sardonic smile, Endara said that the PRD people "boasted that in the year 2000 they would remove the last colonialist stake from the country. However, Toro is now pushing in another stake," as the hero of the movie (Dracula) does when he pushes in a stake into the heart of the vampire who drinks the young women's blood.

"The PRD practices a hollow nationalism, cheap and void, because everything that Clinton asks Perez Balladares, he grants it," Endara pointed out.

Carlos Abadia also laughed outloud when he compared the nationalist past of the PRD with the present of the "explorative conversations." [preceding two words in English]

Abadia added that "the unfortunate thing is that (the president) was not sincere and honest with the people when he said that he would not discuss this issue (of the bases) in Washington. Now, the PRD "has to contradict its stand of the last 25 years," he stressed.

The PRD Will Have To Swallow its own Medicine

Abadia said that it has been demonstrated that the PRD "has always manipulated and been disrespectful of true nationalism, and it has acted in a demagogic manner with regard to such an important subject for the nation."

Carlos Abadia then wondered: "What will they (the PRD people) do now? Swallow their own medicine or abide by what they have always said?"

Paper Recounts Perez Balladares-Clinton Meeting

PA1109191695 Panama City LA PRENSA in Spanish 10 Sep 95 p 47 A

[Article by Betty Brannan Jaen: "'Bill and Toro' Backstage"]

[FBIS Translated Text] Washington, D.C. — Although impeccable Panamanian and U.S. Government sources have confirmed for LA PRENSA that President Clinton was the first to raise the issue of an extended U.S. presence in Panama during President Ernesto Perez Balladares' meetings with him and other high-ranking U.S. Government officials, a White House spokesman's report that "the two Presidents anticipated the issue would be on the agenda" is also true.

The two Presidents knew before their White House meeting on 6 September that they would agree to "exploratory talks" on the issue. Sources from the two governments add that the communique that the White House issued following the meeting had been prepared the night before, the communique announcing that the two Presidents had agreed "to carry out exploratory consultations" to see if "the possible benefits of a reduced U.S. military presence after 2000 merit the start of a formal dialogue in this concern." My sources in the two governments emphasize: A communique on this was obviously prepared in advance, confirming — as if confirmation were necessary — that the bases issue did not suddenly come up during the meeting.

Impeccable sources from both governments confirm that the agenda that Ricardo Alberto Arias, Panamanian ambassador to the United States, and the NSC's Richard Feinberg prepared over a month ago did not explicitly mention the bases issue. However, it was "obvious" to everyone that where the agenda indicated that the topics would be "Panamanian-U.S. relations after 2000" and "the military bases' reversion," these issues included the bases.

Sources from the two governments indicate that the Clinton-Perez Balladares meetings were productive and cordial, despite the fact that neither President dropped formalities. Far from calling each other "Bill" and "Toro," the two Presidents called each other "Mr. President" at all times. Sources from the two governments indicate that, in his conversation with Clinton, the Panamanian president sponsored the strengthening of commercial ties because "U.S. interests must be in a prosperous Panama." However, he did not mention his hope that Panama be granted access to the Free Trade Agreement (access that U.S. officials rule out as impossible).

Meanwhile, Clinton praised Panama's efforts in the struggle against drug trafficking — particularly money laundering — and personally congratulated PTJ [Technical Judicial Police] Director Gabriel Castro for his work. The much-feared Robert Gelbard, assistant secretary of state for international narcotics matters, who severely criticized Panama when Guillermo Endara was president, privately met with Perez Balladares to express his pleasure with Panama's achievements. Perez Balladares suggested during his meetings with Clinton and Gelbard that a "hemispheric center" against drug trafficking and related crimes be established in one of the reverted areas. "Panama would provide the place, all the countries in the hemisphere would contribute the personnel, and someone would provide the budget," Perez Balladares told a news conference, explaining that the idea came from the latest Rio Group summit.

Perez Balladares held a bilingual news conference at the National Press Club during which he personally translated with ease both the questions and his answers for the benefit of television journalists who needed footage in one language or another. At all times during his official visit to Washington — or at least as far as I could tell — Perez Balladares displayed impeccable English, an elegant style, and an eminently presidential presence that left a good impression everywhere. I cannot deny it: My sources in the two governments unanimously termed Perez Balladares' trip to Washington "a complete success."

My sources state that even the meeting with Senator Helms was "incredibly cordial;" Helms even said that if Panama had problems with Clinton's government, just let me know [preceding four words italicized in English]. However, when asked about confirmation of the next ambassador to Panama (William J. Hughes), Helms clearly said this had reached a deadlock. I must point out as an aside that only four of the senators on the Senate Foreign Relations Committee attended the meeting with Perez Balladares because, to the Panamanian president's bad luck, Senator Robert Packwood (involved in a sex scandal of unimaginable proportions) took the floor at that moment to tearfully announce his resignation after 26 years as a senator.

To conclude, I want to report what the White House served lunch to Perez Balladares and his delegation on 6 September. The menu included lobster with a Riesling and corn sauce; tenderloin with leeks, oyster mushrooms, and Jack Daniels sauce; radicchio and romaine salad with nonfat roasted goat cheese and marinated tomatoes; and green apple mousse with passion fruit crisp for dessert. One of the attendees told me that the tenderloin "was the most incredible piece of meat I have tasted in my life."

Comptroller Says Public Debt To Exceed $7 Billion

PA1209014095 Panama City EL PANAMA AMERICA in Spanish 11 Sep 95 p A1

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Comptroller General Aristides Romero disclosed that the Panamanian Government's current debt could surpass $7 billion.

Romero explained that until the first quarter of this year the government debt was $7.4884 billion, of which $6.2119 belonged to the central government, $1.2681 billion to autonomous institutions, and $18.4 million to contingency debts. [figures as published]

Romero added that the total amount of the government debt does not include several obligations with the National Bank of Panama for previous financial debts totalling $27.5 million.

Romero also said that this amount does not include current obligations derived from budgetary commitments, referring to the contracting of goods and services for approximately $143.5 million whose payment is pending.

Romero also emphasized that a high percentage of the government's debt balance corresponds to interest payments overdue since 1988, which are subject to negotiations to be refinanced jointly with the total amount of overdue and due principal. Until the first semester of 1995, the contractual balance of the government sector was $5.8826 billion.

Argentina

Menem Meets With Spanish Party Leader

PY1109220695 Buenos Aires TELAM in Spanish 1909 GMT 9 Sep 95

[FBIS Translated Text] Buenos Aires, 9 Sep (TELAM) — Spain's Popular Party President Jose Maria Aznar today called on his country's leaders to put an end to the uncertainty surrounding the date of the election for a new Spanish government.

"Convergence and Union (CiU) President Jordi Pujol should support a censure motion to move the elections to November. The only thing today's meeting creates is more uncertainty, more problems, and an increased sensation that the Spanish people lack a government," Aznar said during a news conference.

Aznar spoke with journalists at the end of a working meeting with President Carlos Menem. He was asked about the meeting in Spain between Jordi Pujol, president of Catalonia's nationalist coalition CiU, and Prime Minister Felipe Gonzalez.

"The Spanish people will have the chance to judge whether Pujol is sincere or not, but to continue with this situation without knowing whether we will have elections, without knowing what we are after, what the government is governing for — what little it can govern — it is not very encouraging, not very attractive, and not very desirable for Spain's interests," Aznar said.

Economist Views Aftermath of Mexican Crisis

PY1109200495 Montevideo EL PAIS in Spanish 24 Aug 95 Market Indicators Section p 1

[Interview with economist Martin Redrado, director of the Buenos Aires Economic Research Foundation and former Argentine Securities Commission chairman, by unidentified EL PAIS reporter; place and date not given]

[FBIS Translated Text] [EL PAIS] What main economic problems confront Argentina?

[Redrado] Argentina is handling, and not without some degree of difficulty, the crisis triggered by Mexico. We can now say that the worst is over. Deposits are slowly but steadily increasing. Our estimates show some $3.800 billion of the $8 billion that flowed out of Argentina between the devaluation of the Mexican peso to 14 May [when President Carlos Menem was re-elected] has been repatriated. We believe that by the end of September, loans will have regained pre-Mexican crisis levels.

The most serious problems occur in the productive and labor sectors. The former face difficulties related to high financial, transport, energy, fiscal, an labor costs. I would venture to say that attaining competitiveness is the main challenge facing Argentina. We have a stable economy thanks to the application of two fundamental rules; fiscal and monetary stability (which are in turn based on a budget surplus and convertibility respectively).

These two factors are necessary, but insufficient. They constitute the foundation, but problems like the lack of competitiveness and high government spending must be resolved.

We must face these challenges because the situation caused by the problems I have just mentioned is a current unemployment rate of 18.5 percent, which may continue to rise even higher.

[EL PAIS] Do you think the Mexican crisis caused the current situation in Argentina, or would the present adjustment have been made anyhow?

[Redrado] One must be very careful not to blame those who are not responsible. The Mexican crisis gave momentum to a process and sparked off an embryonic crisis in Argentina.

The main shortcoming of the economic policy pursued over the last few years is that it depends nearly exclusively on an inflow of equity capital. This can be compared to a table with only two legs, namely export diversification and higher levels of domestic saving. The lopsidedness of Argentine exports — which are concentrated toward Mercosur [Common Market of the South], the EU, and NAFTA — necessitates a policy to conquer other international markets.

Chile was not as vulnerable to the "Tequila Effect" because it had amassed substantial domestic savings thanks to the pension fund management companies which at present administer funds worth 50 percent of the Chilean GDP. Above and beyond capital inflow and outflow, this level of domestic saving constitutes a hedge to partly protect the economy from sudden capital movements.

[EL PAIS] Did the restrictions imposed by Chile and Colombia on capital inflows protect them to a certain extent from the Mexican crisis?

[Redrado] I do not think that was the fundamental reason. In my view, Chile and Colombia were in a more advantageous position due to their substantial domestic financial resources. Their levels of exports and domestic savings make them less dependent upon inflows of foreign capital because if capital does not pour in directly, it does through exports.

The great doubt about Argentina was whether it could generate the necessary financial resources to maintain its level of economic activity and honor its international commitments. In March, we nearly failed to respect our international commitments because we did not grasp the seriousness of the problem.

The only way convertibility could end in Argentina is if we defaulted on the external debt. In that case, our creditors would demand that we use Central Bank reserves to honor our international commitments.

Returning to the issue of restrictions to capital inflows, I personally do not believe in controls. I do approve of natural control mechanisms, in having strong organizations to ensure above-board market operations. I do not think placing obstacles on the movement of capital — like Decree Law 600 in Chile, which stipulates that capital cannot be remitted abroad for one year — is the right way to do it.

If Chile were to enforce Decree Law 600 without sufficient domestic saving or the current levels of export diversification, it would be a complete failure. It would only nurture the black market. We Argentines are quite masterful at outmaneuvering government officials so as to operate on the informal market.

[EL PAIS] Argentine exports have grown tremendously over the last few months. Is this due to the present economic conditions, which benefit from the situation in Brazil and the domestic recession, or it is the basis of an export take-off?

[Redrado] In my view, it is more exogenous than endogenous — about 70 to 30 percent proportion. There is no doubt whatsoever that there has been an increase in productivity in Argentina. The surge in imports over the last few years has been to a large extent caused by the purchase of capital goods. Let us recall that our country was drained of producer goods because it did not import anything in the 1980's.

Nevertheless, the increased Brazilian consumption spurred by the Real Plan, the depreciation of the dollar in the first half of the year, and the rise in the price of commodities are the fundamental reasons behind the 46 percent growth in Argentine exports during the first two quarters of the year.

This is another element we must consider when comparing the Mexican crisis with that of Argentina. Mexico devalued its currency due to a budget, fiscal, and trade deficit. Argentina had a balanced budget, but a weak situation in its trade balance. As we all know, a trade deficit exerts immense pressure on the government to devalue the currency. Argentine was able to get round this problem and will not only balance its trade accounts but will also achieve a trade surplus to the tune of $1 billion this year.

The problem is that this is not the result of an export drive. Argentina is not trying to conquer new markets — and herein lies one of its major challenges. Being a big exporter means one must export to many different countries rather than to just one. As I have just said, Argentine exports are very lopsided. The region undoubtedly has great potential for growth, but we have already seen that the Brazilian government designs its policies from the standpoint of its domestic industrial and commercial considerations. Argentina must, therefore, pursue an export diversification strategy to cater for this new trend in its export profile.

[EL PAIS] Is export diversification compatible with Argentine's insertion in the Mercosur?

[Redrado] Argentina has expressed a sturdy political will as regards its commitment with Mercosur, even more resolutely than Brazil did. In light of the trade policy of our "major partner," Argentina must not be naive. We must also devise ways to ensure we are not wholly dependent on Brazilian demand.

[EL PAIS] Does that mean a controlled opening?

[Redrado] I do not believe in controlled openings. On the contrary, Latin American countries have just a few very small tariffs in an attempt to encourage greater competitiveness and a better circulation of goods.

I think Argentina has failed to implement antidumping mechanisms. The delays in dealing with charges filed before the respective secretariats are intolerable. I am talking about delays of 11 months when even the standard-bearers of free trade, like the United States, are showing us how to use trade policy tools authorized by the WTO. Argentina lacks a swift institutional response to unfair competition.

[EL PAIS] Is the crisis in Argentina wearing off or is there a possibility that it will become worse?

[Redrado] I do not envisage a "super crisis." Multilateral financial organizations like the IMF and the World Bank support Argentina. In simple terms, annual financing requirements by the Argentine public sector from now till 2000 amount to $9 billion. This means Argentina must generate a comparable surplus, or a slightly smaller sum commensurable with its present level of indebtedness.

Until 1994, Argentina had a surplus that enabled it to service the external debt (interest constitutes about half the debt) and to renew the principal by contracting a new debt. While these conditions continue I do not visualize any possibility of chaos.

The public sector has financing requirements that can be met by multilateral organizations, international private banks, foreign investors, and domestic surplus.

The private sector also has financing requirements that have been fulfilled quite satisfactorily. We are for the first time separating the public and the private debts. There is no risk whatsoever of nationalizing the debt.

There is a firm political will not to err from the established path with regard to economic policy. Besides, Argentines themselves do not want to deviate from this model.

Over the next few years, Argentina must endeavor to become less "dependent on capital inflow."

Rather than wondering if the present economic model will continue — and I have no doubt whatsoever that it will — the central question in Argentina should be how to produce an all-encompassing model so as not to leave people out. Regional economies, productive sectors, small- and medium-sized enterprises are lagging far behind and are in no condition to compete. The state continues to burden the private sector with distortions. The administration must ensure that the agricultural sector gets fair treatment. In many cases, Argentine runners must compete even though the track is soggy and instead of wearing spikes, our sprinters must run in tennis shoes. Over the next few years, we must either dry the track or give our runners a proper pair of spikes.

Chaco Governor To Be Elected in Second Round

PY1109185095 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1026 GMT 11 Sep 95

[FBIS Translated Text] Resistencia, 11 Sep (NA) — The final details of the provisional vote count by Encotesa [National Postal and Telegraph Company, Inc.] — with 88.5 percent of the ballots counted — show the new governor of Chaco Province will be chosen in a second round.

The figures released early this morning by the state Post Office, which concluded the vote count at 0348 today, give victory to the Justicialist Party with 43.59 percent. The UCR-Frepaso [Radical Civic Union-Front for a Country in Solidarity] alliance obtained 35.79 percent, and the Chaquena Action Party (Pach) obtained 20.06 of the vote.

Justicialist Florencio Tenev and the Radical Angel Rozas will now run in a second round that may be held on 8 October. The new governor will replace Rolando Tauguinas.

Brazil

Cardoso Meets With Congress President Sarney

PY1109235195 Sao Paulo AGENCIA ESTADO in Portuguese 0022 GMT 10 Sep 95

[FBIS Translated Text] Brasilia, 10 Sep (AE) — The government does not want to lose the support of Congress. That is what President Cardoso clearly established when he met with Congress President Senator Jose Sarney (Brazilian Democratic Movement Party-Amapa) in Alvorada Palace for more than one and one-half hours this evening. Cardoso listened to Jose Sarney's explanations as he reasserted his commentaries regarding the president's administration of the government policy. Cardoso also informed him that he will send to Congress this week two proposals establishing rules for the already approved economic reform on telecommunications and domestic navigation. These proposals are being sent to Congress in response to a criticism made by Chamber of Deputies President Luis Eduardo Magalhaes (Liberal Front Party-Bahia), who last week accused President Cardoso of being responsible for the delay in constitutional reforms.

Sarney reasserted his support for the administration, but he clearly established that above all, the independence of the legislative branch and his own independence come first. "I told the president that I have, am, and will continue supporting the measures to execute his government's program while Congress will support the reforms," he said. "However, the president knows Congress and he knows that we are not there just to approve initiatives; we want to participate," he added. Upon leaving Alvorada Palace, Sarney laughed when a journalist asked him if his fights with the president were over. "We never argued, but I think that I must express my opinions given the leadership I have been entrusted with and given the position I have occupied. The president, as a former congressman, understands me perfectly well," he said.

Sarney spoke about the controversial government proposals to extend the Social Emergency Fund (FSE) and reform the tax system without drastically reducing the amount of taxes. "I did not approve the FSE the first time, and I maintain my position," the senator pointed out, insisting on the legitimacy and independence of Congress. President Cardoso and Senator Sarney discussed tax reform for a long time. Sarney said that no measure weakening the states can be approved. According to Sarney, Cardoso said that Congress has "total legitimacy to promote the changes that are necessary."

Daily Interviews Chamber Speaker

PY1109144595 Rio de Janeiro O GLOBO in Portuguese 3 Sep 95 p 3

[Interview with Luis Eduardo Magalhaes, president of the Chamber of Deputies, by Jorge Bastos Moreno in Brasilia; date not given]

[FBIS Translated Text] [Bastos Moreno] The PFL [Liberal Front Party] supports the privatization process and has gone as far as charging the administration with delaying it. The PSDB [Brazilian Social Democracy Party] has reacted by accusing the PFL of seeking to squander public property. Which side is right?

[Magalhaes] If it fails to expedite the privatization process, the administration is going to endanger economic stabilization itself. The proceeds raised through privatization are essential for securing stabilization. Those people who believe they are defending public property are sometimes simply causing interest payments to rise. The amount the administration is to collect from the Rio Doce Valley Company [CVRD] is rising every 45 days. This means that if the CVRD is not privatized urgently, if a large-scale privatization is not implemented, debts will double in a little over two years. Those people do not realize that a delay in the privatization process not only will not enhance the value of any federal property, but will also sharply increase debts and interest payments. It is thus extremely foolish to think that to delay privatizations is tantamount to defending the public interest. On the contrary, to do that would be to work against the public interest.

[Bastos Moreno] Do you feel the administration is imbued with the political resolve to implement the privatization program?

[Magalhaes] The process continues to move at a very slow pace and I see little resolve from an administration that needs to privatize. The question today is not whether the administration wants to privatize; the administration needs to privatize.

[Bastos Moreno] No sooner had the tax reform proposal reached Congress than it is already stirring up a great deal of controversy. Is there a risk of its not being approved?

[Magalhaes] The administration already made a mistake by not sending an ideal proposal or one that would be closer to what the people want. When one tries to negotiate a proposal before sending it to Congress, one will have to negotiate everything all over again because the natural forum for negotiations is Congress. The administration should send an ideal proposal, and then the Congress would do its part. It is naturally within Congress that the interests of states, municipalities, and regions will come into play. Now, if the proposal submitted is not good, no one will defend it. Although some governors and mayors have been consulted, they do not like the proposal. Negotiations will have to be conducted in Congress again, notwithstanding the fact that the proposal lacks creativeness and has very few innovations. It has fallen far short of the people's expectations.

[Bastos Moreno] Wouldn't the issues involving the refundable tax and the lifting of bank secrecy compound opposition in Congress to the tax reform proposal?

[Magalhaes] Of course, especially because the refundable tax issue had not been discussed with anyone. The administration had already been defeated on the bank secrecy issue when it sought to lift the bank secrecy rule through the social security amendment proposal. At that time, the administration did not even appeal to the Constitution and Justice Committee. How can it now raise the issue again when at that time it did not even use all of the available legislative mechanisms? It is inconsistent.

[Bastos Moreno] Another issue that appears to be difficult for the administration is the extension of the Social Emergency Fund [FSE]. Are you in favor of extending the FSE?

[Magalhaes] I am in favor of extending it for one reason only: Those funds are truly very important for the administration to maintain economic stabilization. Taking into account that the tax reform bill could not be implemented immediately, the FSE is naturally vital for the administration, and it should be approved.

[Bastos Moreno] Is the mood conducive to its approval?

[Magalhaes] Most of the debate will focus on how long it should be extended. I believe, however, that we cannot fail to approve it because we have no other alternate source of funds to offer to the administration.

[Bastos Moreno] When you say that the administration mishandled the tax reform proposal and claim, for instance, that it failed to discuss the refundable tax issue with anyone, does this mean that the administration has no political coordinator? Does it need a political coordinator?

[Magalhaes] If the refundable tax were a good thing, everything would be fine. I believe the administration should have submitted a more innovative proposal, much simpler than the one it proposed. When you include an issue like the refundable tax in a proposal and do not mention it because you are aware of the reactions it will provoke, it would seem that you are being secretive.

[Bastos Moreno] As a member of the ruling coalition, wouldn't the PFL be able to correct some deficiencies, such as the issue of privatizations? Or has the slow pace or the lack of interest you have perceived in the issue deterred the PFL from more vigorously pushing for the privatization process?

[Magalhaes] The PFL — either through PFL President Jorge Bornhausen, or sometimes through me or through PFL bloc leader Inocencio de Oliveira — has sought to state its position both within and outside the administration in an effort to encourage economic and senior administration officials to expedite the privatization process, emphasizing that the administration will need the funds that can be raised through privatization. I believe those responsible for the privatization process are not determined to expedite it, perhaps because they do not consider it to be important. This is a serious mistake that could have fatal consequences later. Hence, I believe that as President Cardoso comes to comprehend the significance of privatization, he himself will seek to expedite the process.

[Bastos Moreno] How much influence does the PFL have within the Cardoso administration?

[Magalhaes] I believe that the PFL exerts a relative influence because we have entered into an alliance and have offered a government program. The president made a bold move by proposing, early in his administration, major constitutional amendments in the economic area, and Congress responded accordingly in keeping with the national interests; that is, by creating mechanisms that are precisely designed to open the economy, to break monopolies, and to stop discrimination against foreign capital. The PFL played a pivotal role in the congressional approval of these amendments.

[Bastos Moreno] Why does the administration reject the PFL's neo-liberal doctrine?

[Magalhaes] In a country facing so many difficulties, it is a waste of time to argue whether one is liberal, social democrat, or neo-socialist. One has to do the right thing irrespective of whether his doctrine is neo-liberal or neo-social. For instance, to speed up privatization is the right thing to do. To pay the type of interest on the debt that is being paid now because of the delay in privatizations is the wrong thing. Thus, those who believe that they are defending the right thing when they call for a slow privatization process are simply committing a crime against the people.

[Bastos Moreno] To what would you attribute the offensive launched in recent days against the PFL by people linked to the president of the Republic? In your opinion, what objective does this offensive pursue?

[Magalhaes] I believe that when one is trying to add figures, one cannot merely assume that he is winning, because when the time comes to reconfirm these figures, he may find that he has less than he thought.

[Bastos Moreno] As president of the Chamber of Deputies, how would you evaluate the outcome of your activities during the first half in terms of the objective of enhancing the image of the legislative branch?

[Magalhaes] The Chamber of Deputies is highly effective today thanks to all of its members, who understood the significance of rebuilding the image of the house. We have reached an unprecedented level of 90 percent attendance in our congressional debates.

[Bastos Moreno] What about measures designed to promote ethical conduct?

[Magalhaes] We are deducting days not worked from paychecks, and have discontinued wage advances and airport car services. We are also authorizing only economy class for official travel, and have reduced per diem allowances. In sum, we have adopted a number of measures to bring the house budget to terms with the Brazilian reality.

[Bastos Moreno] Yet, requests for salary increases by deputies have provoked adverse reactions among the people. Is this issue still causing the Chamber to lose face?

[Magalhaes] Yes, indeed. It is not that the salary is low; it is good for average Brazilians. The problem stems from the working conditions of deputies. They have to use their salaries to cover their expenses. Although the people may have a different idea of their deputies, it is difficult for deputies to effectively discharge their duties with their current salaries. Now, what we should do is punish those state assemblies that are overlooking the constitutional provision of paying the equivalent of 75 percent of the salary of a federal deputy to their members. In many state assemblies, deputies make twice or triple the amount earned by federal deputies. This is absurd. It is very upsetting to read in the newspapers, for instance, that the Acre assembly deputies are earning 21,000 reals monthly.

[Bastos Moreno] What would be your evaluation of relations between Congress and the administration?

[Magalhaes] Relations are good, especially when the president of the Republic gets involved. He is an extremely tactful, pleasant, and warm person. He always succeeds in improving relations.

[Bastos Moreno] Would that enable the administration to dispense with a political coordinator?

[Magalhaes] It is incumbent upon the president to decide that. If he is willing, it would be even better for him to act as coordinator instead of choosing someone else.

[Bastos Moreno] That issue has resurfaced in the wake of the Economico Bank crisis which, according to many people, could have been avoided had the president had a political coordinator. Has the relationship between the president and the Bahia bloc been shaken by the incident?

[Magalhaes] It has obviously been shaken. The president was not well informed by his advisers. There was a complete distortion of values. Bahia did not ask for fresh money, but the Central Bank [BC] vowed not to supply any more fresh money. Yet, what the BC did not explain is why it supplied so much money earlier without taking any precautionary measures. The president was deceived.

[Bastos Moreno] Has the incident left scars?

[Magalhaes] I believe the president is capable enough to mend fences and to overcome the incident.

[Bastos Moreno] The administration did not expect the Bahia bloc to react so strongly in the Economico Bank case.

[Magalhaes] The bank is extremely important for the economy of Bahia State. It is thus very normal for the Bahia bloc members to defend the economy of their state. In fact, what happened — in my opinion — is that the BC made a mistake. The BC mistake will be detrimental to Bahia if no solution is found to the problem. We, the Bahia politicians, cannot passively allow that to happen. The BC invested money in the bank without asking anyone, and did that of its own free will. As a result of what happened with the Economico Bank, the rate of mandatory deposits at the BC was changed three times, and the BC invested a large amount to preclude a major banking crisis. Therefore, all that the administration had to do because of the Economico Bank crisis would not have been necessary had the BC taken action at the appropriate time. The president was not well informed about all that.

[Bastos Moreno] Has the Bahia bloc felt unfairly treated in light of the people's interpretation of the incident; that is, that you gentlemen gave an ultimatum to the president of the Republic?

[Magalhaes] Of course that was an unfair interpretation because we are not fools. In a presidential system, it is the president who is in command. The Bahia bloc members went to Planalto Palace to thank the president for a solution he had worked out for the problem.

[Bastos Moreno] Do you endorse the administration's economic policy?

[Magalhaes] Our economy can no longer bear the high interest rates we have had during the past eight months. The administration will have to adopt measures to correct this. This is a decisive factor why we should promote privatization. Privatization is also necessary for us to have affordable interest rates. Today, our currency is overvalued in relation to the dollar and this is hurting some economic areas, such as agriculture. All this can be solved by expediting privatizations.

[Bastos Moreno] What about the changes proposed to the income tax law? Do you support them?

[Magalhaes] I consider it to be absurd for the administration to seek to tax foreign capital through the corporate income tax bill at a time when we are encouraging the inflow of foreign capital. It would be extremely bad, primarily because foreign capital would no longer come to Brazil, but would move to other countries.

[Bastos Moreno] Is the president complying with the government program he announced during his electoral campaign?

[Magalhaes] I believe that the main goal is to guarantee stabilization. To achieve that will be the all-encompassing goal for the Cardoso administration. In the area of education, Education Minister Paulo Renauto Souza is going to launch a basic teaching program that meets one of Cardoso's campaign commitments. Federal Administration Secretary Bresser has also submitted an administrative reform proposal which will be fundamental for public service and which will certainly elicit the support of the people. Bresser came up with a good proposal. Yet, there will be no tangible results if stabilization is not maintained. A solution will be found by privatizing and by achieving fiscal adjustment because, in this way, the administration will no longer have to resort to devices such as overvaluing the real and keeping interest rates high.

Industry Demands Higher Import Tariffs

PY1109155595 Sao Paulo AGENCIA ESTADO in Portuguese 1447 GMT 9 Sep 95

[By Denise Neumane]

[FBIS Translated Text] Sao Paulo, 9 Sep (AE) — The deceleration of the economy has forced the Brazilian industry to increase its pressure on the federal government. Several sectors want the government to adopt measures to protect domestic production and thus restrict imports. The sectors whose demands have already been met, like the textile and shoe sectors, claim that they have not yet felt any positive effects of the measures adopted by the government. They expect new protection measures. Meanwhile, other entrepreneurial sectors — like the food, lighting, and capital goods sectors —are increasing pressure on the economic team to change importation rules.

Sadia Company executive Luiz Fernando Furlan has said the food sector will ask President Fernando Henrique Cardoso to address the issue of unfair competition during his visit to the EU. Furlan said that Brazilian chicken breasts pays 80 percent tax in European countries, while European food products entering Brazil pay 20 percent tax at the most. The capital goods and lighting sectors expect positive answers to the request for higher import tariffs on the goods they produce.

Furlan, who is also the director of the Foreign Trade Department (Decex) of the Sao Paulo State Federation of Industries (FIESP), added: "Brazil has consolidated the economic opening, reducing taxes and eliminating non-tariff barriers without any compensation." He explained that during the Uruguay Round of the GATT, it was agreed that a specific import quota of chicken breasts and other meat cuts would be considered tax exempt by the EU.

Furlan explained: "In fact, Brazil is using only 46 percent of this quota, and the rest is being used by China and Thailand." He added that this quota (which surpasses 30,000 tons of chicken cuts) should be entirely for Brazil, but only 15,500 tons of Brazilian chicken cut exports are tax-exempt. Brazilian chicken exporters also claim that European countries did not distribute the quotas for Brazilian exporters while they did it for European importers. Furlan complained: "Those importers have begun to hold auctions in Brazil to buy the chicken that can be imported without taxes."

Luiz Americo de Medeiros, president of the Spinning and Weaving Industry Union (Sinditextil), said the textile industry is preparing a proposal to establish import quotas on textiles. The government increased to 70 percent the import tariffs on 13 products, while credit purchases were forbidden on 44 products — which can be imported only for cash payments. The practical effect of these measures has not yet been felt.

Sinditextil Vice President Paulo Antonio Skaf said these government measures were "very modest," and that they will not repair the damage the entire textile network has suffered. The 20,000 enterprises of the sector (considering the clothing industry as part of the spinning sector) have 3 million workers. Over the past two months they have dismissed 100 million [as received] workers. He said: "We were hit by three blows," citing importation, the deceleration of the economy, and the mild winter. The two entrepreneurs claim that the sector's trade balance — which has usually registered surpluses — will close the year with a deficit over $3 billion. Skaf added that recession, rather than protection measures, can be a more efficient factor for reducing the deficit.

In the shoe sector, exports dropped by 19 percent from January to July, compared to the same period in 1994. This is based on the volume of shoes sold. The sector exported 108.2 million pairs in 1994, compared to 87.6 million in 1995. Sebastian Borbulhan, president of the Sao Paulo Shoe Industry, has said that increasing import tariffs to 63 percent (a measure that will remain in force until mid-1996), which affects some Brazilian shoe imports, is "insufficient to stop the avalanche of Chinese products entering Brazil."

Borbulhan explained that enterprises are expecting the government to adopt new protection measures. He noted that the sector has dismissed many workers. One enterprise closed eight production units in one single day, keeping only the main factory going. He said: "Enterprises should by now have orders to last them to the end of the year, but most factories have received none."

Lighting and capital goods enterprises are also expecting the government to adopt measures to restrict the importation of products that compete with domestic products. Carlos Eduardo Uchoa Fagundes, director of the Lighting Industry Union and a FIESP director, said that lighting imports may surpass $300 million in 1995, covering 30 percent of the local market. He noted that Brazilian enterprises have already filed complaints with the Office for the Protection of Consumers (Decon), because several imported items do not meet the safety requirements established in the Consumer Code.

In the capital good sector, imports grew from $2.46 billion in 1993 to about $6.6 billion in 1995. Sergio Magalhaes, president of the Brazilian Association of Machine Industries (Abimaq) said: "That is strong growth." During the same period, Brazilian exports grew from $2.64 billion to $3.25 billion. He added: "The Brazil cost hinders our enterprises." He said the government should adopt measures to protect Brazilian industry so that local enterprises may compete on an equal footing with imported products.

Skaf shares this complaint. He said: "The devalued currency, the tax cascade, and interest rates have provoked unfair competition." Magalhaes added: "The quality of our products is good, but the Brazil cost and the exchange rate have harmed our enterprises." Sindimaq has asked the government to reconsider import tariff on capital goods. He said: "The government must take rapid action to avoid creating a new problem to the Brazilian trade balance," adding that Brazil shifted from a surplus of $150 million in 1993 to a deficit of more than $3 billion in 1995.

Chile

Frei Asks Mexican Businessmen To Promote NAFTA Entry

PY1209001595 Madrid EFE in Spanish
0710 GMT 9 Sep 95

[FBIS Translated Text] Mexico, 9 Sep (EFE) — Chilean President Eduardo Frei has concluded an official three-day visit to Mexico, during which he asked Mexican businessmen to promote Chile's entry into NAFTA.

Chile may soon become the fourth partner of NAFTA, which is made up of the United States, Canada, and Mexico — a market of 360 million inhabitants which has become a commercial alliance with the greatest future in the continent.

During his last official activity before beginning a private visit to Ixtapa-Zihuatanejo, Frei met with approximately 100 businessmen from the Mexican town of Monterrey.

The Chilean president asked the Mexican businessmen to promote the economic complementary agreement which is in effect between the two countries, and to facilitate Chile's inclusion in NAFTA.

Frei had previously granted a news conference at the Monterrey Ethnological Institute, during which he said that Latin America must be aware of the fact that development can only be achieved if there is cooperation between the private and public sectors in order to generate more employment and better living conditions.

According to Frei, the greatest challenge for the Latin American nations is to move from economies based on exports of raw material to exports of manufactured goods and technologies with high value added, which will only be possible if the quality of the products is improved.

The Chilean president said that achievements in economic integration over the past few years have been greater than those of the past three decades, and for this reason the presence of organizations such as the Rio Group must be strengthened in order to intensify coordinated actions and to confront protectionism.

He said that the accelerated trade process tears down barriers that seemed unsurmountable before and consolidates the creation of a free trade zone throughout the continent.

"Free trade can open new trends of political and cultural exchange, so no one who is worried about the future of Latin America can underestimate the scope and effects of those processes," the Chilean president said.

Frei said that democratic systems must support each other in the separation of powers, in the adequate representation of the majorities and minorities, and in holding free and periodic elections.

He added that political parties must respond to citizens' demands because "it is no longer sufficient to offer an ideological discourse," thus each party must demonstrate its ethical values their proposals for solving the many national problems.

During his visit to Mexico, the Chilean president had an intensive working agenda: He met with President Ernesto Zedillo and had meetings with congressional and political representatives, in addition to signing several cooperation agreements between the two countries.

Frei thanked the Mexican government's commitment to promote Chile's entry into NAFTA, and added that his country is in a position to assume the challenge of economic integration.

Pinochet Calls 1973 Coup Victims 'Murderers'

PY1109234995 Madrid EFE in Spanish
1846 GMT 11 Sep 95

[By Nelson Sandoval Diaz]

[FBIS Translated Text] Santiago, 11 Sep (EFE) — General Augusto Pinochet today labeled as "murderers" those who were defeated by the military coup he headed on 11 September 1973 which, on its 22d anniversary, reveals the profound division that still prevails among Chileans.

The former president of the military regime (1973-1990), who recently accused some congressmen of being behind the attack he suffered in 1986, insisted today on his belligerent position toward the democratic sectors. Pinochet's belligerent position has increased since 30 May, when two high—ranking Army officers were sentenced to prison for their responsibility in the murder of Orlando Letelier, former foreign minister under the administration of Salvador Allende (1970-1973).

"They (the defeated) are the ones responsible, they were the murderers," said Pinochet upon receiving a homage from an Army delegation in his house.

Pinochet, who considers 11 September "freedom day in Chile," said he is "offended" by the "vulgar comments of those who were defeated" but he blamed "their resentment" for those comments.

In contrast, Government Secretary General (spokesman) Jose Joaquin Brunner said today "should be a day of reflection for reconciliation" and that he will not get into a controversy over the latest comments by Army Commander General Pinochet.

Brunner added: "We don't want to be led into a controversy that makes no contribution to erase the ghosts of the past, a controversy that doesn't look at the future with generosity because all it does is judge the past with a spirit that does not go along with the challenge the country is facing."

In this regard, Brunner reiterated that the government will insist on the spirit contained in the proposals for reconciliation and for improving democracy, which was recently sent to Congress by President Eduardo Frei, and which has been rejected by the Armed Forces and the rightist opposition.

Frei proposed to give the president back his power to remove the high military command, to reform the Constitution to improve the democratic system by changing the composition of the Constitutional Court and the National Security Council, and by eliminating the appointed senators.

According to Brunner, the public will finally have to judge who is sincerely interested in resolving the problems of the past to help in the reconciliation and who is obstructing it.

The acts held today, which resulted in some incidents between leftist demonstrators and the police, showed that the military coup carried out 22 years ago and its consequences continue to deeply divide Chilean society, despite the fact that the common denominator in all the acts was the word "reconciliation."

The Armed Forces and the political sectors that supported the 17-year military regime believe that reconciliation means keeping the 1980 Constitution established by General Pinochet intact and definitively closing the pending trials for human rights violations through an amnesty.

The democratic sectors believe, however, that reconciliation must be achieved through constitutional reform to take away its authoritarian elements, and to establish "truth and justice" on human rights violations, especially in the situation of those detained and missing, which according to official figures is over 1,000.

In this regard and recalling Allende's last words, Chilean Communist Party Secretary General Gladys Marin said today that the Chilean people "have not yet been able to open the wide road to freedom" because "the black shadow of Pinochet is over our fatherland."

Marin headed a Communist delegation which was authorized to place a wreath on one side of the president's La Moneda Palace where there was a door used by Salvador Allende to enter and leave the government house during his three-year administration.

Hundreds of leftist demonstrators, who every year on this date visit Allende's grave in the general cemetery in Santiago, also tried to reach La Moneda presidential house but were stopped by the police in violent clashes.

The demonstrators reacted by setting up barricades, and throwing rocks and "Molotov cocktails" in response to the tear gas and water cannons used by the police.

The Armed Forces and their supporters celebrated the coup anniversary with a mass and acts recalling the military coup as a "deed," while government officials attended a mass in La Moneda in memory of those who died 22 years ago.

Colombia

Cuban Minister: 'Obscure Forces' Conspiring Against Samper

PA1109145595 Santa Fe de Bogota Inravision Television Canal A Network in Spanish
1800 GMT 10 Sep 95

[From the "Cripton" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina, who is attending a meeting in preparation for the Nonaligned Movement [NAM] summit in Cartagena de Indias, has said that obscure forces are conspiring against President Samper:

[Begin Robaina recording] A huge campaign clearly is being mounted. A lot is being said about Colombia, but the country is not allowed to say much. This, in my opinion, is not fair. We trust Colombia and the Colombians. The president will not react to this provocation and let the truth prevail. It should be clear to the international community that in some ways, we can be present against campaigns aimed at destabilizing the country. I would like to add that those campaigns also seek to blame Colombia and its president at a time when the country is waging a hard battle against drug trafficking. [end recording]

Official Demands Guerrillas Speak Honestly on Kidnappings

PA1109143195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 10 Sep 95

[Report by Jose Luis Ramirez; from the "Cripton" newscast]

[FBIS Translated Text] Alberto Villamizar, the man appointed czar in the effort to fight kidnapping, today demanded that various guerrilla groups speak honestly about kidnapping and report the exact number of people in their hands in order to facilitate a possible meeting:

[Begin Villamizar recording] The guerrillas are clearly responsible for approximately 50 percent of the kidnappings. One of the powers vested in the czar is to try and discuss the kidnappings with them, but only within the framework of easing the effects of war. The peace talks have been suspended. I hope to begin seeking solutions to reach an agreement for the massive release of Colombians kidnapped by the guerrillas. [end recording]

Villamizar stressed that he will not discuss the issue of peace with the guerrillas, only the subject of kidnappings.

EL TIEMPO Op-Ed Views on Crisis Differ

95CA0364A Santa Fe de Bogota SEMANA in Spanish 22 Aug 95 pp 36-38

[FBIS Translated Text] *The crisis afflicting the country also has split the most solid rock in Colombian journalism: the newspaper EL TIEMPO.*

Seldom in Colombian history has opinion been as polarized as it is at present. At any social gathering, an unusual vehemence is sensed concerning the "Medinagate" crisis. There is always someone present who believes that the president is guilty as charged, and someone else who considers him a victim of injustice. There also are persons with inflamed feelings about whether or not Ernesto Samper should resign, or whether his hypothetical downfall would be beneficial or harmful to the country.

Lifelong friendships have been destroyed by defending or attacking the government. Even on the family level, such serious discussions have occurred that any meal shared by parents and siblings often ends in a pitched battle.

One of the families in which this has occurred is the Santos clan. And it would certainly be just another example, were it not for the fact of the role played in the nation's life by the newspaper EL TIEMPO. Ernesto Samper's continuation in the presidency of the republic depends largely on the position assumed by the Santos' newspaper toward the current crisis.

Up until now, that position has been contradictory. Basically, it has consisted of editorial support for the government, and opposition on the column level. That ambivalence has been spontaneous, and not concerted. It is nothing but a reflection of the ambivalence that prevails in the country. However, EL TIEMPO does not merely reflect opinion; rather, it also creates it. Therefore, the perception that the public has of the president will depend to a great extent on the course of the newspaper's internal differences. Seldom has this factor been as crucial as it is at present.

For all the foregoing reasons, it is important to learn what is happening inside EL TIEMPO. Every day, those with differing viewpoints are constantly gauging their strength. It is an arm wrestle between one who believes that if the government falls, there would be an institutional crisis, and another convinced that, if it does not fall, there will be a crisis of values. The fact that such a dilemma has been reached in the newspaper of the Liberal Party and of the establishment illustrates more than anything the seriousness of the current situation besetting the country.

Who are the leading figures in this episode? In the first place, we must discount Juan Manuel Santos, the one most familiar to the public, but also the one with the least influence in the newspaper. Since he made his leap into politics, the only person who polarizes the Santos family's opinion more than Ernesto Samper himself is Gaviria's ex-appointee. The opinion carrying the real weight within the clan is that of the largest stockholder, director Hernando Santos. As was to be expected, he is in the trenches beside the government. Santos and the industrialist, Julio Mario Santo Domingo, are the regime's main backers nowadays, and amid the crisis they have proven an indisputable loyalty.

As for his role in the newspaper, Hernando Santos thinks that it is one thing to be an independent columnist, and another to be director of EL TIEMPO. At age 73, he does not believe that things are black or white, and considers such simplistic assessments a privilege of the young. He claims: "Some of my relatives believe that it is a feat to overthrow a government. I think that it is far more difficult and responsible to support it at difficult times. It is not that the presidents are very grateful to us, but that we are used to doing this, and it is a duty that EL TIEMPO has never shirked."

With regard to the current crisis, Hernando Santos believes that the Samper campaign "made a faux pas" in the case of the hot money but, in his view, the elimination of the Cali Cartel by this government carries more weight than any other event. Furthermore, he regards starting to change presidents overnight as a leap into a void. He claims that his philosophy when it comes to presidents is that "a known bad one is worth more than a good one yet to be known."

Probably half of Colombians have the same opinion as Hernando. Nevertheless, he has an isolated voice in the newspaper. Since he is director, the editorial line is his business, although he himself admits that "the columns are more influential than the editorial."

What are those columns? The most radical is that of his son, Francisco, who has always had a reputation as an up-front, outspoken person. Within the newspaper's confines it is commented, half jokingly and half seriously, that "Pacho" wants to overthrow the president. He does not admit this, but makes it clear that he is in total disagreement with his father. In the first place, he does not think that the country is facing a mere scandal involving hot money. "There has always been hot money in the political campaigns, because the 'narcos' always have scored goals. But what happened in this campaign has nothing to do with that. A check for 50 million pesos could be a goal; but 5 billion pesos in cash is not a goal: it is an alliance."

As for the issue of the government's downfall, "Pacho" is from the Watergate school: "There is no need to fear such things; the institutions come out reinforced."

Midway between these two positions is that of Enrique Santos Calderon. He agrees with his cousin "Pacho" that "Medinagate" is far more than a case of "narcofunds." In his opinion, Colombia, a country with weak, discredited institutions, had always kept the credibility of the presidency as an exception. The "truth," which should be a sacred value in the exercise of power, has disappeared in this crisis. He comments: "I am reading the book 'The Final Days,' about Watergate, and what has most impressed me is seeing how the lie assumes unrestrained dynamics in this type of situation. That is happening in Colombia at present." According to the assistant editor of EL TIEMPO, some very serious incidents occurred during the electoral campaign, and it was necessary to mount a gigantic concealment operation to cover them up. This operation has become a house of cards, supported by a number of persons, many of them honest, who have had to join the cause out of loyalty.

Nevertheless, Enrique Santos Calderon admits that the news media, such as EL TIEMPO, have far more information available than the ordinary citizen does; because, after all, they have been investigating and receiving information for months about the financing of the electoral campaign. In the case of EL TIEMPO, this information has almost never been published, he claims, because the newspaper has refused to prejudge, or to commit sensationalist acts until the information is proven to be true, serious, and pertinent: three requirements that are not always met. But the fact that the information does not constitute conclusive evidence from a legal standpoint does not mean that it could not shed light on what is true and what is false. Finally, he claims that leaving this episode at the halfway point would be an act of historical political myopia. It would mean, among other things, "that the war we have been waging for 10 years against the drug traffic, with all those martyrs, was in vain."

Rafael Santos, for his part, is a little more moderate than his cousin Enrique and his brother Francisco. His view is that the newspaper's function is, primarily, to report and attempt to be fair in handling information. If the latter overthrows a government, that is something else. However, so long as there is no conclusive evidence, the goal should be to "educate" rather than to "overthrow." He stresses that if, some day, there is proof of serious acts, EL TIEMPO will be the first to call for the president's resignation. But he believes that what cannot be done is to prejudge without proof.

Finally, there is Enrique Santos Castillo, the newspaper's editor. Normally, he should be aligned with his brother in a generational bloc against their children and nephews. On this occasion, however, he is "neutral but not indifferent," according to his own statement. Such a position in a vehement man of strong convictions is somewhat surprising. The explanation lies in conflicts involving opposing loyalties. Santos worships two things in life: journalism and friendship. Never has he found them so much at odds as they are now. Although he has not been a "Samperist" politically, he has always been one personally. Glori Zea has been one of his lifelong friends, and he has been Fernando Botero Zea's supporter since his childhood.

Simultaneously with this, he regards the present scandal as the journalistic story of the past few years. As a good sleuth in the profession, he is enthusiastic about the issue. Submerged in this conflict between the heart and the "scoop," he has ended up playing the role of moderator. His primary concern has been balance. This has been better for journalism than for the system, which has not had the greatest of its generals on hand in this battle.

As may be observed from the preceding descriptions, never before have the opinions in EL TIEMPO concerning a serious crisis been so divided as they are today. The newspaper has become a microcosm of the country, which is currently experiencing a process of polarization and confusion. What is certain is that this situation will not continue indefinitely, and a greater consensus will gradually be achieved. What no one knows yet is: consensus for what? For supporting Ernesto Camper, or for depriving him of backing? In any event, it is not impossible that the answer to this question may depend on the agreements reached by Hernando, Enrique, Enriquito, Rafael, and "Pacho."

Further on Creation of Army Air Unit

95CA0366A Santa Fe de Bogota EL TIEMPO in Spanish 26 Aug 95 pp 1, 8A

[FBIS Translated Text] *The Army's air combat fleet will begin arriving at the end of this year, making it possible to react promptly to the seizure of towns and to terrorist attacks.*

Yesterday, the government authorized the Army to create its own air combat fleet, announcing an immediate investment of $90 million for the purchase of command helicopters and airplanes.

The commander of the Military Forces, General Camilo Zuniga, stated that the war crews of the Army's new Aviation Branch are receiving combat instruction and assistance for airborne troops.

Zuniga accompanied the new defense minister, Juan Carlos Esguerra, at the press conference held at 1800 hours yesterday, and called by the Chief Executive to make official the creation of the new corps for defense and preservation of law and order.

For nearly five years, veteran Army officers and strategists had been citing the need for establishing an elite combat, transport, and air support force capable of becoming established as a kind of immediate reaction patrol against guerrilla attacks, seizures of towns, and terrorist attacks in rural areas difficult to reach.

Last night, however, Minister Esguerra explained that, "The purpose is to give the Army a tactical support complement, because we must move to the offensive in order to prevent the continuation of the attacks, seizures of towns, terrorism, and kidnapping."

Esguerra indicated that negotiations are currently being held with the National Planning Office and the Finance Ministry to procure foreign loans that would make it possible to purchase the aircraft before the end of this year.

Esguerra remarked: "This is money that exists, and was budgeted for investment in 1996, 1997, and 1998. What we are attempting is to move the investments for this purpose a year ahead."

The formation of an air fleet had been specified in the National Development Plan, and was supposed to become a reality starting in 1996, as part of a four-year plan.

Nevertheless, a first approach made by Esguerra to meet the military system's needs prompted the government to decide to move ahead the start-up of the plan insofar as the Army's air equipment is concerned.

For this purpose, last night the government issued Decree 1422, which orders the organization of the National Army's Aviation Branch. The decree carries the signatures of President Ernesto Samper, Finance Minister Guillermo Perry Rubio, and Defense Minister Juan Carlos Esguerra Portocarrero.

Esguerra announced an investment of $90 million in the immediate purchase of the new helicopter fleet, claiming that "the present requirements merit the decision."

The first announcement regarding the Army's air equipment had been made by ex-Minister Fernando Botero Zea, during a debate sponsored by the Senate's Second Commission on the modernization and optimization of the Armed Forces.

Botero mentioned an investment of $158 million, which was to be executed during the next three years, although no specific deadlines were given.

According to military spokesmen, with the creation of the Aviation Branch, the Army will surmount obstacles which, up until now, have prevented it from having a timely presence in rural towns and areas attacked by the guerrillas. This was due to the roughness of the terrain and the risks involved in land transport.

According to Esguerra, the first helicopters are expected to begin arriving in the country before the end of this year.

Nevertheless, the minister refrained from making more specific predictions, because the type of apparatus, its costs, and other details are part of the bidding and negotiating process that is beginning to be conducted with foreign suppliers.

Esguerra commented: "We already have studies from foreign suppliers, and those studies are currently in the possession of the Air Force."

Military spokesmen had explained to EL TIEMPO, at the time of Botero's announcement about promoting an air force for the Army, that the arrival of helicopters and other apparatus would take time, owing to the requirements that must be met for the bidding, purchase, and delivery process.

Poll Gauges Popularity of Samper, Others

95CA0368A Santa Fe de Bogota SEMANA in Spanish 29 Aug 95 pp 32-38

[FBIS Translated Text] A few days ago, Noemi Sanin attempted to contract a public opinion study, but had to put off the idea, because those selected to perform that work explained to her that this was a difficult time for conducting polls, since the opinion of Colombians was changing from morning to night. This seems to have been proven by the various polls conducted last week. With every news report produced by what many are now calling "Medinagate," those polled are jolted, and there is such an avalanche of news reports that the respite needed for the dust to settle never occurs.

This state of confusion is reflected in the poll contracted by SEMANA with Gallup Colombia, and taken on Thursday [24 August] and Friday of last week. The findings do not appear to be pointed uniformly in a single direction: President Ernesto Samper still has over half the public opinion (51 percent) in his favor, although his unfavorability has increased, already exceeding 30 percent. More than a third of those queried believe that the chief executive was informed of the presence of money from the Cali Cartel in his campaign. But only 22 percent think that this campaign was an exceptional case of such money being infiltrated, while 66 percent are convinced that more or less the same thing occurred in the past campaigns. The majority of those polled believe that the president is a victim of a conspiracy, but more than half of those questioned who heard Elizabeth Montoya's cassette regard the confidence reflected between that lady and Samper as abnormal. Another important point is that the social class among which Samper fares less well is the upper class, in which the ratio of his favorability is 47 versus 39 percent. It is the upper class in which the majority (51 percent) believe Santiago Medina's accusations against Samper and Botero. And it is also the upper class in which 53 percent believe that both Botero and Samper knew about the funds from the cartel in the campaign. Quite the contrary holds true in the middle class: the support for Samper amounts to 63 percent.

There are also contradictions in the case of Noemi Sanin: a larger number criticize than support her in her resignation, but her popularity still exceeds 70 percent. Fernando Botero's situation is similar: the majority of those polled attribute to him a high degree of responsibility for what happened in the campaign, but over half believe his detention to be unfair. In short, this is a country that is polarized, confused, and contradictory: something that is only obvious during the times that it is experiencing.

The President's Favorability

Samper still maintains a positive margin of popularity, but it has been declining consistently since the high point that it attained in December. Oddly enough, it is among the upper class that the president has lost the most, with a ratio of 47 percent favorable and 39 percent unfavorable.

Do you have a favorable or unfavorable opinion of President Ernesto Samper Pizano? [figures are in percentages]

	Dec 94	Apr 95	Aug 95
Favorable	76	64	51
Unfavorable	12	20	30

Opinion of Other Leaders

Noemi Sanin, even after her debated resignation, retains her lead, with a comfortable favorability ratio; followed by Valdivieso and De la Calle, Serpa, and Botero, the former cabinet leaders, in favorability. They still have more positive than negative points, but have lost substantially. As for Andres Pastrana, he has not regained any ground.

Do you have a favorable or unfavorable opinion of the following persons? [figures are in percentages]

	Favorable	Unfavorable
Noemi Sanin	70	14
Alfonso Valdivieso	64	14
Humberto de la Calle	57	26
Horacio Serpa Uribe	49	30
Fernando Botero	48	37
Andres Pastrana	40	46

Noemi's Resignation

It is strange that Noemi Sanin should retain her high degree of popularity, even though the opinion poll results concerning her decision to resign are not very favorable for her. The majority of those polled were displeased with her retirement.

Do you believe that the resignation of Ambassador Noemi Sanin was a correct or incorrect position? [figures are in percentages]

Correct	Incorrect
34	42

The Campaign Funds

The opinion on this point has changed in only four months. From April to August, the conviction that funds from the cartel entered the Samper campaign rose from 23 to 59 percent.

Do you believe that Ernesto Samper's campaign received funds from the Cali Cartel? [figures are in percentages]

	Apr 95	Aug 95
Funds were received	23	59
Funds were not received	45	26

Was Samper Informed?

The opinion regarding this point also changed. In April, only 13 percent believed that Samper was informed. Last week, one out of every three Colombians expressed the same belief.

Do you believe that Ernesto Samper was informed that his campaign received money from the Cali Cartel, or not? (Question for those who answered yes to the preceding question) [figures are in percentages]

	Apr 95	Aug 95
Was informed	13	33
Was not informed	5	21

Do They Believe Medina?

A larger number of those polled do not believe Medina when he accuses Botero and Samper of being informed of the entry of the cartel's funds into the campaign. But the lead over those who do believe him is not very wide.

After his detention, Santiago Medina, ex-treasurer of the Samper campaign, declared to the Prosecutor's Office that the Cali Cartel had contributed large sums of money to the current chief executive's presidential campaign, and that both Samper and the campaign director, Fernando Botero, had been apprised of it. Do you believe Santiago Medina or not? [figures are in percentages]

Do believe him	41
Do not believe him	49

Do They Believe Miguel Rodriguez?

The majority do not believe Medina when he claims that Samper is to blame, but the majority also do not believe Miguel Rodriguez when he claims that the president is innocent. This is a clear example of the confusion that prevails in public opinion.

A few hours after his capture, Miguel Rodriguez Orejuela claimed that President Samper is an honest man, and that the Cali Cartel did not contribute money to his electoral campaign. Do you believe Miguel Rodriguez or not? [figures are in percentages]

Do believe him	41
Do not believe him	51

Scapegoat?

Botero divides the opinion and, although there are more who condemn him in this question, it is worth noting that nearly 40 percent consider him a scapegoat in the case.

With which of these two statements are you more identified? [figures are in percentages]

Fernando Botero is a good person and brilliant politician, and they are using him as a scapegoat in the problem of the Cali Cartel funds in the Samper campaign	39
Fernando Botero, because of his ambition to have Samper win the presidency, allowed Cali Cartel funds to enter the campaign	45

Did Botero Know?

In this question, as well, Botero has more opinions against than in favor of him. However, there is a large percentage (35 percent) of persons acknowledging that he put an end to the cartel, fulfilling an obligation as a public official and a Colombian.

With which of these two statements are you more identified? [figures are in percentages]

Fernando Botero did not know about the Cali Cartel funds in the campaign, and captured the cartel chiefs as a obligation of his office and as a good Colombian	35
Fernando Botero did know about the Cali Cartel funds in the campaign, and captured the cartel chiefs as a result of the political pressure from the United States	50

Botero's Detention

Despite his losses in the two preceding questions, Botero is a clear winner in this one. A large majority consider it unfair for him to be detained after he overthrew the cartel.

Let us suppose that Fernando Botero did know about the Cali Cartel funds in the campaign; but the fact is that he put an end to the cartel. Do you consider it fair for Botero to be in jail, or do you consider it unfair? [figures are in percentages]

Consider it fair	35
Consider it unfair	55

Who Knew?

If the first two options are combined, the result is that 45 percent believe, in one way or another, that Samper did not know: coinciding somewhat with the results from the other questions.

As for the Cali Cartel funds in the campaign, with which of these options are you more identified? [figures are in percentages]

Neither Botero nor Samper knew about that	29
Botero did know about it, but Samper did not	16
Both Botero and Samper knew	41

Botero and Samper

Once again, Botero divides those polled who, in this case, believe, by a slight margin, that the ex-defense minister is protecting the president.

Do you believe that Fernando Botero resigned from the Defense Ministry and is in jail to protect Ernesto Samper politically, or not? [figures are in percentages]

Yes, he is protecting him	49
No, he is not protecting him	41

Samper and the Past Campaigns

This question is quite interesting, because it shows that, despite the preceding negative results for Samper and his government, those polled, by a wide majority, believe that what occurred in his campaign is no different from what occurred in the previous ones.

With which of these two statements are you more identified? [figures are in percentages]

For many years, all political campaigns have received funds from the drug traffic to a greater or lesser degree, and there is no reason for so much scandal	66
The Samper campaign is an exceptional case, because it received too much money from the drug traffic, and the campaign's high-ranking directors were aware of it	22

Andres' Proposal

Ultimately, despite the seriousness of the situation for the president and his government, only a quarter of those polled support the proposal for a leave of absence.

A few days ago, the ex-candidate, Andres Pastrana, proposed that President Samper should take a leave of absence while the charges against him are being clarified, and that, meanwhile, the presidency should be assumed by Vice President Humberto de la Calle. Do you agree or disagree with this proposal? [figures are in percentages]

Agree	24
Disagree	69

Should He Resign?

While few approve of the leave of absence, even fewer support his resignation. Three quarters of those polled disagree with the proposal that Samper resign.

Other leaders, such as ex-Minister Enrique Parejo, have gone further, proposing that President Samper resign from his post, because those of that opinion believe that there is now sufficient evidence of the presence of Cali Cartel funds in the current chief executive's campaign. Do you agree or disagree with this proposal? [figures are in percentages]

Agree	22
Disagree	71

De La Calle or the Congress

The vice president is paying a price for having run on the same ticket as the president. That is proven by this question in which, by a relatively wide margin, the idea appears to be gaining ground that, in the event of Samper's resignation, the Congress should elect his replacement.

If President Samper should go so far as to resign, the Constitution calls for two possible solutions: first, that the vice president should assume the office, or, if he too resigns, the Congress should elect the new chief executive. If Samper's resignation should occur, with which of these options do you most agree? [figures are in percentages]

Vice President Humberto de la Calle should assume the presidency, because the information available to date indicates that he was not informed of the presence of cartel funds in the campaign	37
The Congress should elect a new president because, even if De la Calle did not know, he was elected on the same ticket as Samper, and should resign as well	47

The Conspiracy

The theory of the government's defenders, to the effect that there is a conspiracy, divides the opinion, but has managed to permeate a majority percentage, especially among those who believe that it originates among Samper's political enemies.

Do you believe that there is a conspiracy against the Samper government, or not? If so, who do you think is conspiring against the Samper government? [figures are in percentages]

There is a United States conspiracy	7
There is a drug traffickers' conspiracy	7
There is a conspiracy among the president's enemies	44
There is no conspiracy	42

The Last 'Narco-Cassette'

Ultimately, Samper does not come out well in the test given to him by the polls regarding his conversation with Elizabeth Montoya. The numbers are generally low, because 35 percent claimed not have have heard the tape.

Did you hear the tape of Ernesto Samper's conversation with Mrs. Elizabeth de Sarria, which was made public a few days ago? If so, with which of these two statements are you more identified?

In a campaign, a candidate talks with everyone, and Samper simply treated Sarria's wife as he is normally accustomed to treating people	26
Samper surely should have known with whom he was speaking, and it is not normal that so much confidence should exist between them	32

Technical Record

A total of 400 telephone interviews were conducted by Gallup Colombia in the four major cities, among males and females over age 18, from the three social classes, on Thursday and Friday, 24 and 25 August. Margin of error: plus or minus 5 percent.

Economic Guilds Support Recent Measures

95CA0370A Santa Fe de Bogota EL ESPECTADOR in Spanish 25 Aug 95 p 2B

[Unattributed article]

[FBIS Translated Text] Santa Fe de Bogota—The economic guilds have demanded a war on those who are violent—without abandoning political solutions—to achieve peace with the groups demonstrating a desire to become reinstated in civilian life.

This is the essence of the declaration of support for the formation of an antiviolence front made to President Samper yesterday by the National Council of Guilds.

In its opinion, what is involved is restoring law and order where the guerrilla movement has implanted savagery with acts of terrorism.

According to the guilds, there is a need, which cannot be postponed, to form this front against the violence that has seized control of the streets and countryside of Colombia, with costs that are unacceptable.

They claim: "The National Council of Guilds considers it essential that the measures adopted to implement the declaration of a state of internal disturbance show concrete results from the standpoint of their goal of restoring law and order. They also must constitute the beginning of a longer-term strategy for achieving the desired peaceful coexistence."

Furthermore, they reiterate their support for the position assumed by the Office of the Prosecutor General, and for President Samper's statement on the need for backing judges in their task of punishing criminals and exonerating the innocent.

They remark: "The prompt, enforced justice of the proceedings underway on the subject of infiltration by the drug traffic will help to maintain the strength of our democracy and the stability of our national economy."

The Strategy

To adopt a strategy that will enable Colombia to be more governable in the future is the request made of President Samper again by the economic guilds.

This strategy must be based on moral reconstruction headed by the government to eradicate the drug traffic, on measures to neutralize corruption, and on action to combat the various types of violence and crime.

Although the request has been reiterated, it is part of the proposals made in the document "Toward a Policy for Colombian Development," which was submitted to Samper in July of last year.

According to the guilds, there is an undeferable need for stopping the violence that has seized control of Colombia's streets and countryside, with intolerable costs.

The guilds emphasize that resolving the serious law-and-order problems would require creating solutions that will allow for a peaceful coexistence.

In their view, to achieve this it will be necessary to promote a lasting—rather than short-term—strategy, calling for sufficient, modern armed forces that will fully discharge their duty to defend the citizens and democratic institutions.

Truth and Transparency

Meanwhile, the Colombian Association of Graphic Industries [Andigraf] broke its silence regarding the actors and scenarios in the current serious situation, to demand solutions with a minimum of credibility.

To overcome the syndrome of deterioration, they requested truth and transparency.

Andigraf observes: "Confronted with a government besieged by judicial acts, rather than by a conspiracy of opponents, the ordinary people in the country are calling for truth and transparency as a requisite for continuing to acknowledge its legitimacy."

It adds: "However the current crisis develops, we cannot forget that it must necessarily occur facing an international scenario, with which we are linked. And it is facing national public opinion that will not be possible to manipulate, as it was at other times, with deals on the top level—or with 20 July speeches, attempting to imitate the oratory of the great leaders of the past. Their strength emerged from their convictions and moral fortitude, rather than from their capacity for oratory."

Business Sector Support for Samper Viewed

95CA0372A Santa Fe de Bogota EL TIEMPO in Spanish 29 Aug 95 p 9A

[Commentary by Francisco Santos]

[FBIS Translated Text] It is no secret to anyone that governments fall when business owners pull the rug out from under them. Hence the importance of what has happened in the guilds with respect to the support that they give to the president. And, when we learn the intimate details of what has occurred, more questions than answers remain. Furthermore, up until now the public has felt that the guilds have been inconsistent, opportunistic, and easy to coopt. Let's see.

The Guild Council's [Consejo Gremial Nacional] first communique concerning the present crisis was quite restrained: some might claim it to be hard on the government. On 2 August, this entity requested, among other things, that there be "absolute clarity" regarding the infiltration of funds from the drug traffic into the presidential campaign. But, more importantly, it called upon the "civilian society to close ranks, in order to defend the solidity and transparency of our democratic institutions." It made no mention of the president anywhere; on the contrary, it appeared to be distancing itself from him.

A few days later, at a meeting of the CEAL (Congress of Latin American Businessmen) held at the Bankers Club, the owners of the big business firms and economic groups (who are not those with seats in the Guild Council) adopted a different position. Criticism was expressed there for the attitude of the Guild Council, and Adolfo Carvajal began making a defense of the necessity for not letting the president fall. Finally, Pedro Gomez was politely requested to go where Samper was, and express to him the support of the big heads of business firms and economic conglomerates.

On 8 August, they called the big business owners Rodrigo Marin and Maria Emma Mejia to a meeting at the palace. Maria Emma Mejia? Of course, because she has great influence among the Antioquian business owners. "They eat out of her hand," commented someone quite familiar with the guilds. On that occasion, the president explained to them his strategy against violence, and the Andi [National Association of Industrialists] president, Carlos Arturo Angel, spoke. He told Samper that his plan had not been made crystal clear to them, and that they required more clarity. After several speeches, Augusto Lopez, of the Santodomingo Group, asked President Samper and his collaborators to leave the room so that they could deliberate. They did so, but the debate became polarized, and no agreement was reached. In view of this, they requested that Samper return and, to resolve the "impasse," they instructed Angel to chair the committee that would write the communique, including Sabas Pretelt de la Vega, of Fenalco [National Federation of Businessmen], Augusto Lopez, and Pedro Gomez.

That group withdrew to write the communique; however, Gomez and Lopez had already brought individual drafts. That of the former was more radical in its support for the president, and that of the latter was far more moderate. A blend of the two emerged, and that was all there was to it. Consensus was achieved out of exhaustion, but not out of conviction.

A week later, on 15 August, at the Andi board meeting, in view of the confusion prevailing, its chairman asked the members for guidance regarding the guild's position on this issue. As those who were present relate, a majority of 16 to two came to light in favor of the first communique of the Guild Council, and against that from the Palace. In other words, it was in favor of total clarity and support for the institution, but not for the person.

What is going on? Why that confusion and that division?

The president played a very advantageous card, with which he managed to coopt the business owners: security. And if there is anyone with a harder position on this issue than the Armed Forces themselves, it is the guilds. It remains to be seen, first, whether the measures will bring results (the problem here is not one of the arrow, but of the Indian); and, second, whether they survive the Constitutional Court's review.

It also remains to be seen whether now, in order to ultimately tie them up, at least publicly, he will offer them key posts in the cabinet, as was announced directly from the Palace a few weeks ago.

The fact is that, until now, the political crisis has not severely affected profits, despite the fact that all business in the country is at a standstill. And business owners fear an institutional vacuum and uncertainty more than anything else. Nevertheless, it will be a different story when they have to answer to their stockholders for an economically bad year, especially without a solution for the coming year.

So, let us hope that it is not too late.

Commander Denies Army Negligence in Uraba

95CA0375A Santa Fe de Bogota EL TIEMPO in Spanish 31 Aug 95 p 9A

[Article by special correspondent Orlando Leon Restrepo]

[FBIS Translated Text] Carepa (Antioquia)—The commander of the 17th Brigade, General Victor Alvarez Vargas, claimed that the solution to the conflict in Uraba is not a military one.

He declared that it was a "big mistake" to attempt to resolve a political and social conflict with arms, expressing the view that the Armed Forces are experiencing the worst of it.

He also remarked that the country has been unfair to the military in Uraba, and called for overall action on the part of the state to solve the area's problems.

Responding to the criticism for alleged Army negligence in connection with the massacres that are causing bloodshed in Uraba, Alvarez spoke with EL TIEMPO, to explain the government forces' real situation in the region.

He observed: "We in the Military Forces are experiencing the worst of it. There has always been an attempt to solve Uraba's problem, which has a political and social origin, with the use of arms, and that is where the big mistake lies."

He added: "The country has been unfair to the Armed Forces in Uraba, because the conflict affecting Uraba does not require military type solutions alone, but also overall action by the state."

For this reason, he requested that President Ernesto Samper Pizano's government take advantage of the present state of internal disturbance to devise a legal framework for the Armed Forces, enabling them to act more effectively against the multiple factors for violence converging in the Uraba area.

He specified that this legal instrument is vital for the Army's current operations in that region, advocating the creation of instruments that would enable it to take more speedy action when incidents occur.

He maintained: "We must take advantage of this state of disturbance to prepare a legal framework that will enable the public force to be more effective. It has become difficult for us to act, because we lack tools that would make it easy for us to arrest persons or collect evidence to submit to the prosecutors. And if that is reinforced, we need not increase our personnel."

He admitted that the measures for control in the region, such as the disarming of the civilian population, have not brought the anticipated results. However, he expressed confidence that they could prove effective in the long term.

He considered it difficult to comply with the workers' request that protection be given to each one of them, but said that an agreement could be reached to enact measures such as issuing ID cards to the workers, or providing an escort service for groups of laborers.

Nevertheless, the 17th Brigade commander admitted that, in view of the factors for violence persisting in Uraba, the personnel currently operating there are insufficient.

He noted: "We have 2,000 Army troops here to cover an area of 22,000 square km, with a very rugged topography, but it is unrealistic to think that the solution is a continued increase in forces."

Uraba police spokesmen, for their part, expressed agreement that certain control measures, such as the restriction of business hours in public establishments, and searches, have not proven very effective against the action of the conflicting groups.

One official commented: "Preventing massacres is difficult because they are unpredictable acts, and the hardest thing is to obtain information from an intimidated citizen." The same spokesman claimed that it is difficult for the public force to control the area when it has only 500 members for 11 municipalities in Antioquia and Choco, with 36 vehicles, many in poor condition.

Ecuador

Duran-Ballen Calls Ministers To Discuss Galapagos Situation

PY0809012695 Quito Voz de Los Andes in Spanish 2300 GMT 7 Sep 95

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen summoned his ministerial cabinet to discuss the Galapagos Islands crisis. Inhabitants of the islands have occupied the main public installations and an airport, and are threatening to take hostages from among the tourists.

The main demands of the Galapagos inhabitants who have threatened to paralyze all activities and have already blocked all accesses to the national park, are as follows: Acceptance by the government of the special law to administrate the islands, a law already approved by Congress at the request of Galapagos Deputy Eduardo Beliz, and a law which provides greater autonomy to the province and restructures its government organizations.

In a communique sent to Duran-Ballen, the Galapagos inhabitants ask the Quito government, which has vetoed their bill, to call local elections and to earmark the equivalent of some $16 million for priority projects.

Government Withdraws Law on Galapagos, Agrees To Talk

PY0809235195 Madrid EFE in Spanish 1920 GMT 8 Sep 95

[FBIS Translated Text] Quito, 8 Sep (EFE) — It was officially disclosed today that the Ecuadoran Government has withdrawn the special draft bill for the administration of the Galapagos Islands in response to the demands of the islanders, who have blocked the main means of communication and access to the national park.

The presidency of the Republic today told EFE that the government, during an urgent meeting to discuss the crisis unleashed in the Galapagos, agreed to create a mixed commission comprising representatives of the executive branch, Congress, and islanders to draft a law acceptable to all parties.

The authorities have thus dismissed the possibility of intervening in the islands to force the strikers to end their actions. The islanders had closed one of the two airports, as well as threatened to take tourists hostage and bring all activities.

In statements to the media on Thursday, 7 September, Arturo Donoso, legal adviser of the government palace, did not dismiss the possibility of intervention to guarantee the tourists' safety and counteract the measures adopted by the strikers.

Donoso added: "The country is currently under the provisions of an emergency decree that was not annulled" after the armed conflict with Peru early this year; therefore, "the situation is being handled with great care, but, obviously, the defense and government ministers have the last say in the matter."

The government decision, however, was acknowledged with great caution today in the islands, world-famous for their unique fauna and flora, where the strikers committees continue meeting to decide whether or not to give up their stance. This information was given to EFE by an official of the San Cristobal city hall who chose to remain anonymous.

The Galapagos inhabitants' main demand is that the executive branch accept the special law to administer the islands approved by Congress at the initiative of Deputy Eduardo Veliz, who represents the islands. This law, which was vetoed by President Sixto Duran-Ballen's government, grants the province greater autonomy.

The islanders also rejected a proposal to negotiate with the government and demanded that "a high-level" delegation travel to the islands. The source confirmed that the islanders maintain this last demand as a requirement to change their stance.

According to the presidency today, the government has agreed to double the salaries of the public servants who work on the islands, which is one of the people's demands.

Moreover, it has authorized small-scale fishermen of the islands to use ships with a capacity of up to three tonnes.

This last measure will not affect the Galapagos ecosystem because it will "move fishing along the coasts, which are more vulnerable, to more distant areas, and will have a lesser impact on the ecosystem." This explanation was given to EFE by Teodoro Bustamante, director of the largest non-governmental ecological organization of the country, Natura Foundation.

However, Bustamante asserted that, although this measure combines the islanders' interests with the need to preserve the environment, respect for the law should be ensured harming the zone.

The measures adopted by the islanders eight days ago have kept tourists away from the islands in view of threats and the lack of communications, and this has represented great losses for the sector.

Continued Strike in Galapagos Threatens Government Talks

PY1209012095 Quito Voz de los Andes in Spanish 2300 GMT 11 Sep 95

[FBIS Translated Text] Vice President Alberto Dahik said today that the government will not negotiate with the inhabitants of the Galapagos Islands while they continue the strike they started nine days ago.

In a communique of the National Communications Secretariat, Dahik said that the national government, because of the strike declared by the inhabitants of Galapagos, will not accept pressure from any sector. Today, the inhabitants of the Galapagos Islands agreed to negotiate with the government but warned that they would not end the strike.

Defense Ministry Denies Ambush by Colombian Guerrillas

PY1209014295 Quito Voz de los Andes in Spanish 2300 GMT 11 Sep 95

[FBIS Translated Text] The Ecuadoran Defense Ministry denied today the report published in some newspapers that 10 Ecuadoran soldiers were killed in an ambush by a Colombian guerrilla group in northern (Sucumbio) Province last weekend. The Defense Ministry denied the report of an attack by a guerrilla group, which reportedly had intentions other than supporting drug trafficking.

Chamber of Commerce Questions Andean Pact Reform

PY1109142595 Quito Voz de los Andes in Spanish 1700 GMT 8 Sep 95

[FBIS Translated Text] The reorganization of the Andean Pact, from the programmatic and institutional viewpoint, was decided during the subregional summit.

It is expected this reorganization will strengthen the Andean integration process, augment the group's presence abroad, and consolidate and strength the social and sectorial aspects of the integration process.

As for the programmatic reorganization, the (?presidents of the Andean Pact member countries) have stated that a customs union is necessary in view of the progress made by the free trade zone, which has resulted in a significant increase in the trade flow within the subregion. The presidents have asked their respective ministers of the economic area for a report on the impact that attuning macroeconomic policies will have and have decided to promote the development of productive sectors.

They have also decided to promote the consolidation of the customs union and study actions to establish an Andean common market.

The Andean Group's institutional reform, proposed here in Quito during the Rio Group summit, has been criticized by the Quito Chamber of Commerce, which believes the presidents of the member countries can meet whenever they may deem it convenient.

The presidents' decision to institutionalize the Andean Presidential Council, as part of the legal structure of the Cartagena Agreement Board, is not convenient because the political problems or tense relations between member countries may lead to an immediate paralyzation of the Andean integration process, with the consequent threat to trade between and among the countries. This was stated by the Quito Chamber of Commerce, which questions the new structure of the Andean Pact.

New Congress President Discusses Current Issues

95SM0481A Quito EL COMERCIO in Spanish 14 Aug 95 p A6

[Interview with Congress President Fabian Alarcon; in Quito; date not given: "I Did Not Negotiate With Dahik"; first paragraph is EL COMERCIO introduction]

[FBIS Translated Text] *The two principles that united the Popular Defense Front will be maintained: handling of reform and the fight against corruption. In the latter case, Alarcon promised that the political trials will be carried out, including that of the vice president. There will be a change regarding the reforms: After completing the package from the executive branch, work will begin on those from the other political parties and social sectors. He does not rule out other changes in the constitution. The Supreme Electoral Tribunal will be reorganized as long as the executive does not convoke a referendum.*

The FRA [Alfarist Radical Front] headquarters in Quito has all the characteristics of the office of an established party: ample office space, secretaries, and a large meeting hall with flags. A few party members are waiting there on Saturday morning for Fabian Alarcon, now president of Congress. From the movements and activities under way, it looks as though the FRA may be in the midst of a campaign, or preparing for one.

Alarcon arrives, gives some orders, and begins to speak. All in a very direct manner, and in the tone of one who, apparently, has nothing to hide. In the same way, he answers questions on current matters, as well as on the unknown ideology of his party and its ability to negotiate.

[EL COMERCIO] In the negotiations for the Presidency of Congress, you spoke with the deputies of the PCE [Conservative Party of Ecuador]. What did you give them in exchange for their support, or at least their blank ballots?

[Alarcon] First of all, I want to make clear that at no time did I meet with Vice President Dahik. But, because of my obligation to speak with the 77 deputies, I did meet with the Conservatives. Not to obtain their support but to talk about what Congress would be like after 10 August. They did not raise anything with me that had to do with the political trials or with the trial of Vice President Dahik.

We negotiated nothing. They only said that they would not vote for such-and-such a candidate. Then came the idea of their own candidate, and then the idea of the blank ballots. I would have won anyway, because I had the 39 votes needed.

[EL COMERCIO] Did you negotiate with the other parties regarding representation in the Plenary?

[Alarcon] Of course. I have no reason to hide anything. I have no budget items, positions, or trips to offer, nor would I ever offer them. We spoke about the structure of the National Congress. This was a historic decision for the country: the legally constituted parties were the ones that voted. Deputies were not removed from parties in order to add votes. What I regret is that the PSC [Social Christian Party] does not want to be in the Plenary. They would have representation in proportion to their votes.

[EL COMERCIO] The Popular Defense Front - made up of the parties that elected you to the Presidency of Congress - united around two points: completion of the reforms and the fight against corruption. How are you going to preserve unity on these issues with such different groups?

[Alarcon] It is that platform that is going to help us to stay united—with the logical differences, because each party has its own ideas, but there are points of agreement. I am going to try to maintain this majority until 10 August.

[EL COMERCIO] Will the remaining constitutional reforms be the first issue you address during your term?

[Alarcon] That is going to be one of the first points, beyond what may happen in the referendum. But we will address not only those reforms presented by the executive, but also those that are pending that were presented by the blocs in Congress and by the social sectors. The president of the republic will then have every right to submit the articles rejected by Congress to a referendum.

[EL COMERCIO] Only those that were rejected?

[Alarcon] In my view, only those. The articles that were not rejected can be submitted to consultation, but in a referendum.

[EL COMERCIO] In what order are you going to deal with the reforms?

[Alarcon] First, the ones that are pending. And then I will continue with the other recommendations.

[EL COMERCIO] But in those recommendations, such as those from Democratic Forum, there are proposals that contradict other proposals already passed. This is the case with multinationality. Will you carry out reforms of the reforms?

[Alarcon] That a proposal is already passed is one thing, and that it can be reformed is another. The country needs a profound restructuring of its political and juridical institutions, and Congress is not limited in that regard. And measures that have already been approved can be reformed. It all depends on what is best. We are going to be prioritizing and organizing.

[EL COMERCIO] In the new Constitutional Affairs Commission, are you going to reelect the old members, such as Neira, Vasquez, Baca, Cordero, and Castello?

[Alarcon] I am trying to get the broadest representation from everyone, including the PSC. And I believe that this should be based on confirming those who have done their duty, and who possess the necessary experience and knowledge. And including others who want to participate enthusiastically.

[EL COMERCIO] With regard to public employee unionism, are you going to bring the consensus proposal to second debate?

[Alarcon] Yes, it is a proposal that was reached by consensus. I think that it should not be discussed any further in order not to complicate matters, but rather moved along.

[EL COMERCIO] Nevertheless, people from opposing sectors, such as Fabian Corral and Julio Cesar Trujillo, say that these reforms are not going to resolve the problems they are supposed to resolve. Are you going to reconsider?

[Alarcon] That is their opinion. However, there was a consensus on the subject, and I am going to proceed accordingly.

[EL COMERCIO] Will the reform of article 51 of the agricultural development reform law be retained?

[Alarcon] I would not wish to give my personal views, because the decision is up to a group of parties. It all depends on the deputies. With respect to the bloc, there will be internal debate, and then a decision will be taken.

[EL COMERCIO] Will you finally complete the appointment of members of the TSE [Supreme Electoral Tribunal] and the TGC [Court of Constitutional Guarantees]?

[Alarcon] Appointments to the TSE and the TGC have been delayed for a year. It is inconceivable that this has not been done. So that one of my priorities is to proceed with appointments on both courts. This is provided for by the constitution and the law.

[EL COMERCIO] In the case of the TSE, is it not inappropriate to appoint members, whose function is technical, three months prior to the referendum?

[Alarcon] As long as the referendum is not convoked, I believe that any change can be made. If it is convoked, it is my personal view that the TSE should not be touched.

[EL COMERCIO] The TSE and the TGC represent a share of political power. By initiating your term of office with them, are you not paying for votes?

[Alarcon] The strongest political parties should be represented in the TSE, and the PSC should be there too, although it may not want to be.

[EL COMERCIO] It is said that the suspension of the presidential message to Congress is the beginning of a power struggle. Are you going to draw closer to the executive?

[Alarcon] I think that the suspension of the presidential message should remain in the past. An excellent working relationship must be maintained with the executive. I am predisposed to maintaining an excellent working relationship with the executive. And if I must take the initiative, I will not hesitate to do so. It should not startle anyone that I may be in permanent dialogue with the executive. This does not affect in any way the legislature's power of oversight. All of the pending trials will go forward, and will be completed, including that of Vice President Dahik.

[EL COMERCIO] Are you in favor of including the Fatherland Front for All (led by the APRE [Ecuadoran Revolutionary Popular Action])?

[Alarcon] At the political level, it is the Assembly of the party that must make that decision. When it meets in early September, it will do so. I will go along with the party's decision in a disciplined manner.

[EL COMERCIO] Three parties in the new majority have their own candidates for the Presidency: the PRE [Ecuadoran Roldosist Party], the APRE, and the DP [Popular Democracy Party]. If you support one of them, is it not the beginning of the end for the Front?

[Alarcon] No, everything discussed has been as a function of Congress. And just as there is respect among them, they will have to respect my party's decision.

[EL COMERCIO] Your political diversity has always been criticized, that you have belonged to several parties and formed alliances with different sectors. Where is the FRA, ideologically?

[Alarcon] It is a party of the center. With a humanist concept. We want social justice and economic development. It is not that I changed sides, I belonged to two parties that disappeared.

[EL COMERCIO] How have you managed to reach the Presidency of Congress twice, always supported by small blocs?

[Alarcon] Having talks, formulating platforms with clear ideas. We were all in the minority. Then we all got together and formed a majority.

Text of Emetel Reform; Official Comments

95SM0467A Guayaquil EL UNIVERSO "SUNDAY" SECTION in Spanish 6 Aug 95 p 2

[Unattributed article]

[FBIS Translated Text] With the Telecommunications Law reforms now approved by the Plenary of Permanent Legislative Commissions, Emetel [Ecuadoran Telecommunications Enterprise] is to be converted into a corporation, with the sale of 35 percent of its shares to private enterprise, 10 percent for the workers, and 55 percent remaining in the government's hands.

On Friday [4 August] the general and transitional definitions creating Comotel [Telecommunications Modernization Commission] were approved. This commission will convene and qualify international or national companies interested in acquiring 35 percent of the shares of each of the companies resulting from Emetel's breakup. The text of the final and transitional provisions follows.

Title V: General Provisions

Article... Neither Emetel S.A. nor the companies resulting from its split shall receive public funds of any nature, with the exception of those stipulated in this Law. Nor shall they receive any form of state subsidy.

Article... A company acquiring thirty-five percent (35%) of the shares shall sign an agreement with Conatel [National Telecommunications Council], in which it pledges not to transfer or mortgage the ownership of its shares during a period of five (5) years from the date of its acquisition of these shares. It shall also be stipulated that after that period, it may sell its shares directly to an international or national company after that company has been qualified and approved by Conatel.

Article... The companies split up may be transformed, split again, or merged only with the express approval of Conatel.

Article... The regulated exclusivity system established in favor of Emetel S.A. or the companies resulting from its breakup shall not include the company which provides telephone, water, and sewage services (Etapa [Cuenca Telephone, Water, and Sewage Services Company]) to the city of Cuenca, which will continue to provide telephone services under this Law.

For national service, Etapa will sign agreements with Emetel S.A. or with the companies resulting from its split. For international service, Etapa shall have the option of providing this service, either through an independent international connection or through agreements with Emetel S.A., or with the companies resulting from its split.

Article... Any license now in the negotiating phase shall be subject to the provisions of the present Reformed Law and its Regulations.

Article. REPEAL CLAUSE. The Transitional Provisioms of the Special Telecommunications Law published in the REGISTRO OFICIAL, no 996 on 10 August 1992, are hereby repealed.

Transitional Provisions

ONE. To carry out the telecommunications modernization process within the terms established in this Law, Comotel is hereby created, as an executive organization delegated by Conam [National Council for Modernization].

This commission shall be composed of the president of the National State Modernization Council, who will serve as its president; the general manager of the Solidarity Fund, who will serve as vice president; the Executive President of Emetel; a representative of the CIEEE [College of Electrical and Electronics Engineers of Ecuador]; and a representative appointed by Conautel [expansion not given].

Comotel's secretary will be the Executive Director of Conam, who will have the legal authority to sign all documents and contracts necessary to implement Comotel's decisions.

Emetel Valuation

TWO. FUNCTIONS. Comotel will perform the following functions on a transitional basis:

a) Conduct the valuation process of Emetel S.A., in accordance with the terms prescribed in this law;

b) Review and approve the report which the international consultants are to present on the valuation of Emetel S.A.

c) Carry out the breakup processes of Emetel S.A.;

d) Convene and qualify international or national companies interested in acquiring thirty-five percent (35%) of the shares of each of the companies resulting from the breakup of Emetel S.A., for which it will prepare the qualification requirements, subject to the precepts contained in this Law, and with the assistance of a reputable international company selected through a competitive process;

e) Invite qualified companies to the international sale;

f) Receive from the qualified companies their acceptance of the sales contract for thirty-five percent (35%) of the shares, properly signed, before the international sale begins.

Qualified companies must present a sales contract for thirty-five percent (35%) of the shares and the bonds stipulated in this contract.

The sales contract for the shares will contain the agreed-upon price and will be signed by the General Manager of the Solidarity Fund.

THREE. Members of the National Telecommunications Council (Conatel) will be accredited to the director of this organization within 45 days after publication of this Law in the REGISTRO OFICIAL.

Conatel's president will convene the inaugural session of this organization within fifteen days following its formation.

FOUR. Under the civil and criminal liability of the administrators of Emetel, all resources, cash surpluses, and operating balances shall be used exclusively for the execution of its investment plan.

Emetel shall be required to continue making the investments programmed for its business development, therefore, it will not interrupt the expansion of telecommunications services, especially for external plant equipment and projects of social significance like rural telephone service, for which it may obtain soft loans offered by multilateral credit institutions or by governments.

FIVE. During the process of formation, breakup, and sale of shares of Emetel S.A., the Ministry of Finance and Public Credit shall refrain from debiting or withholding Emetel's resources. In addition, the Central Bank and the Monetary Board shall refrain from imposing minimum deposits or freezing Emetel's resources.

SIX. At the date of promulgation of this Law, any processes that have been initiated by Conam for telecommunications modernization shall be continued by Comotel, and the resources scheduled by the Central Government and by Conam shall be used to finance them.

SEVEN. The modernization process for the telecommunications sector established in this Law will not affect the rights acquired by the employees and workers of the State Telecommunications Enterprise (Emetel), or those of the Office of the Superintendent of Telecommunications established in binding legal provisions.

EIGHT. Within a period of five years from the acquisition of shares by a company, the employees and workers of the State Telecommunications Enterprise (Emetel), through the intermediary of Conautel, shall have the right to acquire shares representative of the capital stock of each of the companies resulting from the breakup of Emetel S.A., in a percentage of up to ten percent (10%) of the capital subscribed, at the market value at the time of payment. However, if the purchase takes place within one year, the value shall not exceed the price which the company paid.

After the period of five years, if the employees and workers have not acquired shares from the Solidarity Fund, this Fund shall be free to proceed with the total or partial sale of the unacquired part of the shares representative of the capital stock of each of the companies resulting from Emetel's split, in accordance with this Law.

Representation of the stock package of the employees and workers shall be exercised by Conautel.

Compensation for Ex-Workers

NINE. The present Superintendent of Telecommunications and the members of Conatel appointed after this Law takes effect shall remain in office until 10 August 1996.

TEN. Ex-employees and ex-workers of Emetel separated between 1 January 1993 and the date of promulgation of the Law on State Modernization, Privatization, and the Provision of Services by Private Enterprise shall be entitled to receive the compensation stated in Article 52, section four of that Law. Consequently, there will be a reliquidation and payment of any existing economic differences. The compensation level considered shall be the compensation received by the workers at the time they left their jobs. For this purpose, a fund shall be established that will come from the monies generated by the sale of thirty-five percent (35%) of the shares.

FINAL ARTICLE. The present Law, with the character of a Special Law, shall take effect upon its publication in the REGISTRO OFICIAL. It shall take precedence over any other laws opposed to it.

In particular, provisions opposed to the present Law which are contained in the Government Contracting Law and the Law on State Modernization, Privatization, and the Provision of Services by Private Enterprise are hereby repealed.

Sale Will Not Finance Deficit

Quito. Capital from the sale of Emetel shares cannot be used directly, and what will be invested in social programs and to cover part of the fiscal deficit is the return from this capital, says the Technical Undersecretary of the Ministry of Finance, Luis Jacome.

He also stated that while the Telecommunications Law has been virtually approved, the process of privatizing Emetel—which will take over a year—will become a reality under the next government.

That means that the Social Solidarity Fund will start to function under the next government. This fund will have resources of up to $3 billion. He emphasized that only the annual revenues from these resources will be used to finance social programs to reduce poverty, apart from specific budget allocations intended for the same purpose.

He indicated that this government wanted to keep the process from being paralyzed, and to move toward approval of the legal statute allowing privatization or sale of Emetel shares, which will begin with the company's valuation.

Resources for Investment

He stated that resources from the sale will go to the Social Solidarity Fund, in accordance with the Law. Aside from an exception that might be made to finance the fiscal gap, these resources will be used exclusively to finance social programs.

In his view, this will have a positive impact on the economy in the future, since governments will have an annual flow of resources based on the yield from this fund, allowing a greater return on social investment.

He stated that solving the problems of the poorest social groups is a factor that creates political stability and a climate of greater solidarity, which helps to improve macroeconomic results and attract capital investment.

He warned that the fund's performance will depend on investing the resources wisely. The fund must not be viewed as something that is simply there; it will be the duty of future governments to protect the fund and invest its resources responsibly, he noted.

If a poor investment is made, its yield will be reduced and we will have fewer resources, so he felt that how the fund will be managed is important. He suggested that the experience which the Central Bank has acquired through daily investment of the resources of the International Monetary Reserve be utilized.

Government Blamed for Electricity Cutbacks

95SM0485B Guayaquil EL UNIVERSO in Spanish 22 Aug 95 p 2

[FBIS Translated Text] About 59 percent of the people polled in Quito and 52 percent in Guayaquil stated that the present energy crisis facing the country is the result of irresponsibility by succeeding governments. This was revealed by a quick survey carried out by the Center for Research and Data (CEDATOS).

In a random sample of 679 homes interviewed by CEDATOS in Quito and Guayaquil those polled expressed their concern over the electricity blackouts and recalled that they have not lived through such a difficult situation as that experienced at present during the past few decades.

Homes Affected

The results of the poll showed that 87 percent of the homes in Quito and 81 percent in Guayaquil consider themselves as having been affected by electricity rationing, including their own work or places of business. They estimated that there was a direct impact on production and family income. (84 percent said this in Quito and 72 percent in Guayaquil.)

The persons polled consider that the electricity cuts have caused problems in recreation for 72 percent of the sample in Quito and 69 percent in Guayaquil. They also found that there had been a negative impact on security, both personal as well as in terms of property, with 71 percent expressing this view in Quito and 74 percent in Guayaquil. There was a negative impact on the family budgets of 63 percent of those polled in Quito and 66 percent of the sample in Guayaquil. In terms of family organization in general, 54 percent of the sample in Quito and 57 percent in Guayaquil found that there had been deterioration.

Regarding the causes of the energy crisis, the people interviewed expressed the view that these were due to government irresponsibility, with 59 percent stating this opinion in Quito and 52 percent in Guayaquil. However, about one-third of those polled (30 percent in Quito and 32 percent in Guayaquil) added that the causes of the electricity shortage were government irresponsibility and a lack of rainfall. About 11 percent of those polled in Quito and 6.0 percent of those polled in Guayaquil said that this situation was due solely to the lack of rainfall.

It should be pointed out that 39 percent of those interviewed in Quito and 42 percent in Guayaquil believe that the privatization of the Ecuadoran Electrification Institute (INECEL) will not solve the present crisis. On the other hand a smaller percentage (33 and 36 percent, respectively) considers that this action could be of help but they do not believe that it will be enough, by itself.

About 28 percent and 22 percent, of persons polled who live in Quito and Guayaquil, respectively, stated that privatizing INECEL would worsen the present electricity crisis.

For their part, the directors of the Ecuadoran Electricity Company (EMELEC) have stated that the rationing of electricity will continue in accordance with the present program.

This situation is causing huge losses. In the banana sector national productivity has declined between 25 and 40 percent due to a lack of permanent irrigation in the different banana plantations.

As far as the shrimp producers are concerned, they anticipate that if the present situation continues, the harvest of shrimp in the various ponds cannot be carried out in a normal way because of the shortage in the production of ice and their consequent inability to guarantee the refrigeration of the shrimp.

Update on Energy Crisis Solution

*95SM0485C Quito EL COMERCIO in Spanish
25 Aug 95 p 1-A*

[FBIS Translated Text] Quito, 25 August—The government is taking action to find a solution to the electricity crisis. It has reached an agreement with private enterprise to install another 146 megawatts of generating capacity, which will be ready to go on line in December 1995.

The Mexican Government has decided to provide assistance to Ecuador. In the next few days it will ship three turbogenerators to Ecuador, each with a five megawatt capacity. The generators will be installed in Manta.

Meanwhile, INECEL [Ecuadoran Electrification Institute] has signed a contract with EMELEC [Ecuadoran Electricity Company] of Ecuador], ELECTROQUIL [Electricity Company of Guayaquil], and ELECTROQUITO [Electricity Company of Quito] for the supply of electricity.

Then contracts for the purchase and sale of electricity will be signed. INECEL has confirmed that the electricity cuts have been reduced to five hours per day.

Paraguay

Reportage on San Pedro Department Peasant Clash

Clash Prompts Student Demonstration

*PY1109183395 Asuncion ABC COLOR in Spanish
9 Sep 95 p 6*

[FBIS Translated Text] Some 80 university students demonstrated last night with placards commenting on recent events involving peasants in San Pedro Department. On 8 September they completely blocked Route

No. 2 Mariscal Estigarribia for one hour, from approximately 2000. To do so, they placed eight tires over the highway and set fire to them.

The students, who also chanted slogans against President [Juan Carlos] Wasmosy, [Interior] Minister [Carlos] Podesta, the police in general, and the military, cut the highway at Kilometer [number not given], and remained there until the police arrived, whereupon they withdrew peacefully.

On 8 September, Jorge Meza, a student of the National University of Asuncion, indicated, through a communique, the following, among other things: "Taking into account the social and economic situation of our country, I am frightened, sad, and disappointed."

He added that he "had had so much hope as of 1989 [when Stroessner was overthrown] — hope in the new leaders, in a new type of justice, and in the new times. I continue to hate the past, but the present times make me tremble and make me doubt the future."

The student protest broke up without any trouble, and before 2100, everything had returned to normal.

Peasants Refuse To Leave Invaded Land

PY1109180295 Asuncion ABC COLOR in Spanish 10 Sep 95 p 2

[Report by Ruben Dario Castillo, Alfredo Molina, and Mario Baez]

[FBIS Translated Excerpt] Santa Rosa del Aguaray, San Pedro Department — The peasants who invaded the land of Jorge Lazaro Morga on 9 September decided not to abandon the place, and reiterated once again that they will resist any type of intervention on the part of the police. The position was adopted during a grass-roots assembly that was held in the settlement. They said that Morga's land is not negotiable. The National Emergency Committee did not hand out rations because the peasants did not comply with the agreement to abandon that land.

The 16 peasant grass-roots organizations, which held a meeting before the assembly, decided not to abandon Morga's land, and they reiterated that they will resist if there is an attempt to dislodge them.

In a "permanent meeting," the "landless people" decided to continue to discuss the matter, and a commission will be created that will travel to Asuncion to continue with the negotiations.

With the position that they have adopted, the peasants broke one of the conditions of the negotiations that started after the harsh clashes on 7 September, when one person died and several were wounded. The condition was that they leave the land and remain 150 meters from it, and those who had been arrested would be released.

During the assembly, the peasants repeatedly reiterated that they were disposed to resist any type of action that the authorities could take to remove them from the land. [passage omitted]

Wasmosy Denounces 'Destabilization Plan'

PY1109161395 Asuncion ABC COLOR in Spanish 10 Sep 95 p 6

[Report by special envoy Nestor D. Escobar and correspondent Telmo Ibanez]

[FBIS Translated Excerpt] Concepcion — After lashing out at the politicians, who are more interested in populism and in being stars than in resolving the country's problems, President Juan Carlos Wasmosy denounced the existence of a destabilization plan. He maintained that the invasion of land scares away capital, and he promised that private property will be respected. Giving assurances that he intends to privatize public enterprises, he indicated that it is the absentee employees [planilleros — persons who are on the payroll but show up for work only to collect their pay] who are afraid of privatization. Referring to PLRA [Authentic Radical Liberal Party], Senator Armando Espinola, he urged that the people be told the truth, and he also condemned usurers.

Warning, on 10 September, that instances of land invasion are "causing capital flight, rather than encouraging the arrival of foreign capital," Wasmosy maintained that jobs are also lost. He insisted that it is necessary to create jobs, "and not create land to share out." Recalling what happened recently in Santa Rosa, San Pedro Department, the head of state stressed he has information indicating that people, and not precisely "landless" people, were called in from other places for that peasant demonstration. He revealed that the demonstration is part of a "destabilization plan to be carried out in all the departments of the country." He did not specify who was responsible for the plan. He said this in a speech that he gave to open the Expo Norte '95 cattle and agricultural fair in this departmental capital.

He warned that the government will ensure that private property is respected, and if necessary, not only the National Police, but also the Army, will cooperate in this campaign. He made it clear that he respects the powers of the state, but it is the judges who have to guarantee the life and assets of the individual. [passage omitted]

Asks Peasants To Be Patient

PY1109194195 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1610 GMT 11 Sep 95

[FBIS Translated Excerpt] [Anchor Stella Rufinelli] We now have a live relay from Government House. Hello, Andres Caballero.

[Begin live relay] [Caballero] Agriculture Minister Arsenio Vasconcellos is at present reporting on the meeting the cabinet had with President [Juan Carlos] Wasmosy to discuss some emergency bills to address the problem of peasants — not only concerning the case of peasants in Santa Barbara, but the whole issue in general in light of the severe drought affecting the country. [passage omitted] Let us listen to what the agriculture minister is saying at this news conference.

[Unidentified reporter, in progress] ...which organizations will be in charge of the distribution [of foodstuffs]?

[Vasconcellos] We are going to entrust this task to the organizations we have just mentioned and we are going to request the cooperation of those institutions that, if need be, may be asked to provide transport and control this procedure. We are not shunning support because we will probably need it on account of the amount of food to be distributed.

[Reporter] With regard to the same subject, Minister Vasconcellos, what are the conditions — besides their leaving [Jorge Morga's] property — for those peasants to be apportioned food? We have information, and charges have been made, that these foodstuffs are used to coerce them into leaving Morga's property. Moreover, we have also learned that the peasants have no intention whatsoever of leaving that property.

[Vasconcellos] We are discussing a national problem, and you are going off on a tangent by discussing the Santa Barbara problem. I would like to inform you — let us call a spade a spade — that we continue to be open to dialogue; talks have not been interrupted. We are optimistic that we will reach agreement. We believe that the peasants from Santa Barbara have the will and the aspiration to work out an agreement.

[Caballero] This is what the agriculture minister said during a news conference at Government House. In a matter of seconds, we will be talking with the agriculture minister. [passage omitted]

[Rufinelli, from studio] President Wasmosy said this morning that he is certain that part of Morga's land will be given to the peasant families from Santa Barbara squatting on his property. Is this so, Mr. Vasconcellos, and why is the head of state arrogating to himself this decision that corresponds to the functions of Congress?

[Vasconcellos] Good morning, Stella, and all television viewers. I do not think that the president is arrogating to himself any rights. There are two modalities by which one can grant this property to the peasants: One is through direct negotiations with the owner of the property so that the IBR [Agrarian Reform Institute] can purchase the property from him — similar to what we have been doing with other properties — and the other is through expropriation after Congress has enacted an expropriation law. I think....

[Rufinelli, interrupting] Which of the two mechanisms is being used in this case, Mr. Vasconcellos?

[Vasconcellos] We continue holding talks with the peasants in order to find a solution to this problem, so we are contemplating either modality. We are not ruling out any possibility of hammering out an agreement. [passage omitted] [end of relay]

President Wasmosy announced that he will go to San Pedro Department to talk to the peasants who have invaded Morga's property. He gave assurances that part of this property will be ceded to peasants, but he urged them to be patient. He did not say specifically when he will travel to Santa Barbara, San Pedro Department. He said:

[Begin recording] [Wasmosy] I always insist on the fact that dialogue will lead us to a satisfactory solution without any loss of lives. This is something I regret. Why is it that a death had to occur to bring them to the negotiating table when the government is doing its utmost to find a solution to this problem? I am in a position to tell you that we already have the solution, but please try to be a little patient so that we can settle things in an appropriate way.

[Unidentified reporter] [question indistinct]

[Wasmosy] No, on the contrary. I may even go there personally. The problem is that I am unable to do so at the moment. You may, nonetheless, rest assured that this problem can be solved.

[Reporter] That property [passage indistinct]

[Wasmosy] Part of it. [end recording]

Wasmosy Orders Army Commander Not To Testify Before CBI

PY1109192195 Asuncion ULTIMA HORA in Spanish 11 Sep 95 p 9

[FBIS Translated Excerpt] The president of the Republic, Juan Carlos Wasmosy, this morning ordered

Army Commander General Lino Cesar Oviedo not to appear before the CBI [Bicameral Investigative Committee]. Wasmosy said he took this measure because Gen. Oviedo's case is being investigated by the courts.

The president of the Republic, Juan Carlos Wasmosy, this morning sent a note to Deputy Blas Llano, the CBI chairman, stating that he had ordered General Lino Cesar Oviedo not to appear before the CBI.

The general had been scheduled to appear before the CBI at 1100 today to explain his involvement in a political rally held on 20 August.

The general is being investigated by the CBI for violating the Constitution and the Electoral Code, both of which ban military officers on active duty from becoming involved in partisan politics.

The president's note says: "I am responding to your note CBI-VL/113-95, dated 5 September 1995, wherein you are soliciting the appearance of Army Commander Division General Lino Cesar Oviedo Silva in a hearing scheduled by the CBI, which is investigating a case labeled "involvement of military officers in politics," to express to you that I have ordered the division general not to appear at that hearing because this issue is being investigated by the appropriate branch: the Judicial Branch." [passage omitted]

Uruguay

Groups Denounce Alleged Nuclear Project

PY0909035695 Montevideo EL OBSERVADOR in Spanish 24 Aug 95 p 29

[FBIS Translated Text] An atmosphere of "nuclear alert" is being experienced in Paso de los Toros due to the fact that ecological organizations have denounced an alleged intention to install an atomic energy plant in the area of Rincon del Bonete, refloating a scientific cooperation project with Chile that had been shelved.

Paso de los Toros sources have also expressed their concern about the presence in the area of geologists, geographers, helicopters "with an apparatus hanging from them," and other technical equipment that some people associate — for the time being without any proof — with a project that was aborted in 1992 due to the heavy pressure from the inhabitants of that city. At that time, the city's inhabitants piqued the interest of congressmen, and massive numbers of city residents went to Congress when another nuclear cooperation agreement — in this case with Canada — was debated and rejected.

The ecological organization Redes and Deputy Gabriel Courtosie, a member of the New Space Coalition — who was informed of the situation in Paso de los Toros on 20 August — explained the situation to EL OBSERVADOR.

It all began with a cooperation agreement on the peaceful use of nuclear energy that was signed with Chile in 1975 during the de facto regime. The agreement provided for the exchange of information, personnel, and "nuclear materiel and equipment," and "the development and use of experimental and power reactors."

This agreement was never implemented, but there was a second, more explosive stage when, on 29 July 1988 (during Julio Maria Sanguinetti's previous mandate), a similar agreement was signed with Canada.

That agreement was submitted to Congress 15 months later, and debate on it was delayed until August 1992.

The documentation that was provided by Maria Selva Ortiz, a member of Redes, includes newspaper clippings of the time pointing out the possibility that the government (during the presidency of Luis Alberto Lacalle) was thinking of building a nuclear plant. The newspapers reported that the cost of the plant would amount to some $1.2 billion.

At that time the ecologists denounced the presence of Canadian technicians in Rincon del Bonete, which seemed to have been the site selected — due in particular to the abundance of water — for installing the nuclear complex.

Reaction occurred when the matter reached Congress. "Some 6,000 persons demonstrated in Paso de los Toros and they blocked Route No. 5. There were three demonstrations in Rivera, Taccuarembo, and thousands of telegrams were sent to congressmen and the authorities," recalled Dea Garcia, an ecologist who participated in those demonstrations.

Thus, the deputies were pressured by all sectors, and the agreement with Canada died in Congress.

The third historical stage began when the "basic agreement on technical and scientific cooperation" with Chile, which was signed with the Chilean Government on 7 May 1993, was submitted to Congress.

This agreement does not mention the transfer of technology, but a paragraph of Article 13 of the accord states that it will, as of the time of its implementation, replace the agreements on economic and scientific and technological cooperation signed on 20 September 1975. It adds that "without detriment to this, the spirit of the complementary agreements that were signed in accordance with the 'basic agreement' of 1975 will be maintained," "including the programs and projects that are currently being implemented."

Ecologists and congressmen understood that this new agreement reactivated the 1975 nuclear agreement with Chile, and the project was shelved in the International Affairs Committee of the Chamber of Deputies.

Alarm is resurfacing now "because the project has been taken off the shelf and the committee is preparing to study it," according to Maria Selva Ortiz, who also recalled that the first indication was the fact that the agreement was signed by the heads of the Nuclear Technology Directorate.

The ecologists understand that there is the intention to reactivate the project, and they recall that when Nahum Bergstein, a leader of the Batllista Forum, was consulted in this respect by BUSQUEDA in May 1994, he said: "We are not going to say 'we never know what the future has to say'...."

Poll: President's Popularity Declines in August

PY0809014895 Buenos Aires TELAM in Spanish 1927 GMT 6 Sep 95

[Report by unidentified correspondent]

[FBIS Translated Text] Montevideo, 6 Sep (TELAM-SNI) — Six months after assuming the presidency of Uruguay for the second time, Julio Maria Sanguinetti has begun to lose popularity, while public opinion sees as clear and positive the performance of Mariano Arana, the leftist mayor of Montevideo.

A poll by the enterprise Equipos Consultores was disseminated today in Montevideo. It indicates that during the month of August Uruguayan public opinion took a radical turn against the Sanguinetti government, thus annulling the positive opinion of June and July.

Today only 23 percent of Uruguayans approve of Sanguinetti's management, while 43 percent disapprove and 27 percent have no opinion (they neither approve or disapprove). The level of approval of the government is the lowest since Sanguinetti began his second presidency on 1 March. Notwithstanding, this figure is higher than that Luis Alberto Lacalle, his predecessor, during the same period of his mandate.

The fall in Sanguinetti's popularity coincides with the approval by Congress, at the request of the executive branch, of the law to reform the social security sector and which introduced substantial changes in this sector. His fall in popularity also coincides with an appreciable fall in the economic sector, increased unemployment, and inflation.

The public opinion poll also indicates that the management of Montevideo Mayor Mariano Arana, of the leftist coalition Broad Front, continues to be approved by the majority of the inhabitants of the Uruguayan capital even though it has decreased decreased in comparison to previous months.

Some 54 percent of the inhabitants of Montevideo today approve the management of the Broad Front city administration — which includes Communists, socialists, and former Tupamaros — while 9 percent disapprove and about 30 percent have no opinion.

Venezuela

Joint Trade Communique Issued With Colombia

PA0809153895 Caracas EL UNIVERSAL in Spanish 7 Sep 95 p 2-4

["Text" of communique issued by the Colombian and Venezuelan Governments in Santa Fe de Bogota on 6 September 1995]

[FBIS Translated Text] "The presidents of Colombia and Venezuela, meeting in Santa Fe de Bogota on 6 September 1995 to consider the need to consolidate and make the binational trade achievements permanent and to make tangible the guidelines the 7th Andean Presidential Council adopted regarding subregional integration, declare the following:

Venezuela and Colombia adhere to the industrial complementary strategy as a means to instill dynamics to the two countries' production and trade and as a cooperation foundation with a view toward the future competitive relations of their industrial chains.

The two governments stress that the strengthening of each country's competitive capacity must become the foundation for the future development of bilateral manufacturing trade. To this end, they confirm their support for the Colombian-Venezuelan private cooperation initiatives with a view to creating conditions favoring the overcoming, within a prudent timeframe, of the technological and commercial limitations of the two countries.

By virtue of the strategic meaning the two governments assign to the development of their iron and steel and metal-mechanic chains, on July 1995, they instructed their ministries and institutes competent in industrial and foreign trade matters to jointly promote an industrial complementary agreement in these two fields for technical cooperation and for a healthy complementary competition in the iron, steel, and metal-mechanic production and trade. Venezuela recently placed for Colombia's consideration a draft bill for such complementariness, the analysis and discussions of which the Colombian Government is actively promoting.

The governments of the two countries will continue to promote a consensus among their private sectors, geared toward binational complementariness and cooperation, in order to avoid distortions limiting the future prospects for the joint development of their productive sectors, particularly their basic industries. To this end, the two governments' proper organizations will intensify their works with the private sectors aiming at, as far as possible, achieving a concerted solution to the iron and steel trade problems in the shortest timeframe possible.

Caldera Addresses Colombian Congress

PA0709232595 Caracas Venezolana de Television Network in Spanish 0209 GMT 7 Sep 95

[Address by President Rafael Caldera to Colombian Congress in Santa Fe de Bogota on 6 September — recorded]

[FBIS Translated Text] Messrs. President and Vice President of Congress of the Republic of Colombia, Mr. Foreign Relations Minister, Messrs. Ministers and Ambassadors, Honorable Senators, and Honorable Deputies: I sincerely appreciate the deference the Colombian Congress has had toward me by offering me the opportunity to visit it in this occasion in which I came to Colombia to bring a testimony of sincere and auspicious friendship of its sister nation, Venezuela.

Mr. Senate President, I appreciate your very generous remarks, and I have listened with due attention your exceptional speech. It truly is an assessment and an analysis on the many issues existing between our countries, which are demanding a clear mission and a firm objective from their leading organizations to overcome all obstacles along the path toward integration.

By the way, Messrs. Senators and Deputies, today we mark the 180th anniversary of the Letter of Jamaica written by the Liberator. The message of integration is contained in this letter. After 180 years, this message is amazingly current. It compiles the observations made in those days and in that island in which he was preparing in spirit the strategies to start the independence process. It constitutes for us a duty, an admonition, and an invitation to give strength and contemporaneity to the words of the founding father.

We must truthfully recognize that in 17 December 1830, when Bolivar died in Santa Marta, the last hope for the creation of that larger and powerful nation that the Great Colombia was died. No one has dared to doubt the meaning and advisability of this nation, which has been recognized as a basic element in the founding father's mission. We have no choice but to feel distress over the failure of that ideal. It was 10 years of experience, but, unfortunately, as General Soublette stated in a letter to Gen. O'Leary, after 10 years, we are more Venezuelans, more New Granadans, and more Quito residents [Quitenos] than ever before. Bolivar wanted us all to be Colombians, and sent to us all a message in his beautiful and moving farewell.

I must confess that I am a fervent admirer of Gen. Jose Antonio Paez. I feel veneration and affection for him. He was an extraordinary caudillo who fought to gain independence and was the builder of the first republican institutions. I was pleased to unveil a monument that took more than a century after his death to build at his tomb at the National Pantheon in Caracas. However, I must admit that Paez, the hero of all my affection, and Santander, to whom I respect and admire, did not have the ecumenical, better yet, integrationist vision that the founding father had. Sucre had been assassinated in Berruecos Mountain, and the last hope died with Bolivar, because many still believe — and certain historian think so — that if his prestige had survived, he would have amalgamated the resolves to rebuild his works. Today we have another opportunity.

We cannot think about Bolivar's Great Colombia, but about the unity of our countries in accordance with our times. Of course, we must respect the sovereignty of each of our two countries but bearing in mind that the friendship between Venezuela and Colombia is imperative and that no outside circumstances are urgent enough or strong enough to break these ties, which not only are rooted in the shared history and determined by the present reality, but impose on us the duty, for the future generations' sake, to attain a honorable and respectable presence in the concert of nations through harmonious and concerted development.

For this reason, and with due respect for the representatives of the people's sovereignty, this afternoon I wish to talk to the Colombian Congress very openly, as if I were addressing myself to the Venezuelan Congress and my own people. I believe it is fundamental, for our relations and the constructive process, for Venezuela and Colombia strive to talk the same language, affirm the same positions, and make the same commitments. I think something fundamental, political willingness, exists at present. Statements are important. The beautiful phrases that bring to mind our friendship surely have a place in our spirits. But above them lie political willingness, a commitment to overcome any obstacles, and a determination to stay alert at all times and to keep any circumstances, that could occur by chance or ill-intention, from disturbing this path and process, which has attained so many positive things, as the president of the Colombian Congress has pointed out.

We must, not only examine our consciences, but do an exercise in pedagogy. Our peoples are governing because both Colombia and Venezuela have a democratic structure which places on the people's will the basic decisions of the government affairs. We must impress on our people's awareness the reality of the problems and circumstances and the interpretation of facts, so we can truly maintain our unity and open new paths and expand our hopes for a future that makes us look forward and work in a large scale, as well as to act in uprightness and generously.

The border issue undoubtedly lends itself to misunderstandings. Some on good faith and others for base political reasons try to foster disagreement on this subject, trying to harm the people's susceptibility, sensitiveness, and patriotism. In many instances, we deal with things of an intangible nature. I wish to tell the Colombian representatives that the Colombian people cannot forget that the Pombo-Michelena Treaty, ratified by the Colombian Congress, and Spanish Regent Maria Cristina's arbitration of 1891 there is a difference of more than 200,000 sq km, which Venezuela forfeited peacefully in favor of Colombia by making the Orinoco River a border between the two countries although, according to the Pombo-Michelena Treaty, the river is born, courses, and dies entirely in Venezuelan territory.

In addition, La Guajira passed on to be a fully Colombian territory, despite the fact that the Pombo-Michelena Treaty stipulated dividing the area by the middle, and that the Venezuelan Congress at the time believed that Venezuela was entitled to more rights and therefore made the mistake of not ratifying the treaty.

I am not bringing all of this up simply to reopen old wounds, but only so that our Colombian friends, our Colombian brothers, can understand the Venezuelan people's sensitivity with respect to the border issue. It is for this reason that the distinguished Colombian Miguel Antonio Caro, in his unforgettable 1896 speech, said that the integral execution of the [word indistinct] could constitute an open and painful wound.

Well, as far as Venezuela is concerned, that wound is already healed, but there is still a feeling that makes us demand understanding from our Colombians brothers for our reaction when it comes to a region as important to us as the Gulf of Venezuela. I urge my Colombian friends, to assess serenely this issue. It is not just a matter of a squabble between two border nations, but an issue determined by history and reality of events, and for this reason deserves from Colombia the consideration we expect for the sake of that fraternity which we are committed to preserve over and above all obstacles and difficulties.

Problems with respect to illegal immigration have sometimes risen. Colombians have strong demographic presence, and in this respect, there are hundred of thousands, possibly even millions of Colombian immigrants living in Venezuela. The exact number of immigrants has never been accurately established. Colombians, coexist with us, they are our partners and also take part in the same productive activities as we all do. There are numerous labor sectors in Venezuela that are teeming with Colombians who provide an outstanding contribution to Venezuela with their sweat, blood, and efforts.

Just as there are Colombians living legally in Venezuela, there are also numerous illegal Colombians, and included among those there are some who are not precisely individuals one would exactly recommend to any country.

When at any given moment the Venezuelan government is forced to adopt deportation measures against those illegal Colombians there are sectors, who somewhat irresponsibly, try to create a situation of conflict between two nations that have no reasons to be involved in any situation of disagreement. It is true that sometimes abuses do take place and we are not only inclined to prohibit them, but also to penalize them. In Venezuela there have been cases of human rights violations, just as in every other country of the world. However, human rights violations are reported, prosecuted, and penalized by the justice system.

I distinguish our two countries and several other countries, perhaps from our own continent or other continents, that fuss about human rights issues but, if a citizen dares to report an attack or a violation in that territory, he is subjected to terrible repressions. I understand that in Venezuela and Colombia, which are free and democratic countries, any one has a right to report a human rights violation. Moreover, there are public officials who are especially in charge of presenting such reports and furthering the corresponding actions. In general, however, to turn this into sort of rule, a permanent threat, is a situation that can please no one.

These things happen because certain people unduly foment hostile feelings. Among all bordering countries in the world, there sometimes are difficulties and positions that partly pertain to unpleasant matters. Moreover, in our own countries, Andean residents criticize the residents of the plains, and these residents of the plains criticize eastern residents. Perhaps in Colombia, Antioquia residents criticize Santa Fe de Bogota residents, and these Santa Fe de Bogota residents disagree with the residents of the plains or the coasts. These are superficial matters, about which we have to be careful and alert, but which cannot constitute the reason for confrontations, conflicts, or difficulties. We have the need to clearly understand that these secondary matters must be resolved, because the objective is to respond to the basic duty we have to maintain and promote this unity and to do so in a more efficient manner.

As the Congress president has already said, businessmen have responded to the call for exchange and integration. We are setting an example within the Andean Pact itself and through the Andean Pact, to the other integration processes.

Trade between our countries is growing considerably to the extend that we are already becoming the main trading partners, as it should be, because we are dealing with complementary economies and because we are dealing with peoples who have and must have a constant exchange. We have to keep this in mind when we sign free trade agreements, customs agreements, coparticipation agreements, and agreements that encourage bilateral investments and trade from one country to another. We must be aware that we must enforce the rules in the most loyal fashion to examine any misinterpretation, because we cannot do and will not do the things which industrialized countries sometimes do: They talk a great deal about free trade, but then place obstacles when its interests or sectors are being adversely affected.

There are developed countries that preach every day on the need to have free trade and that place obstacles to Colombia's flower importing business by brandishing perhaps phytosanitary or ecological reasons. They also object to Chilean apples and make up any pretext; they place obstacles to Venezuelan tuna by making up a tale having to do with the protection of dolphins. [applause]

We must be aware that these problems, systems, and behaviors could also affect us, but we must prevent their rejection to ensure that they will not jeopardize this wonderful integration process we are undertaking. [sentence as heard]

We are climbing a clear path, because the new diplomacy between Colombia and Venezuela and between Venezuela and Colombia must be based upon sincerity. The beautiful speeches are fine; they play a role. However, for a long time, our relationship has been based upon eloquent speeches that do not fully agree with reality.

Today, the leaders of both countries are willing to talk clearly, calmly, respectfully, and with courtesy to each other. We will each present our point of view and defend our country's interests.

However, we are both fully aware, that past those differences, we have a fundamental commitment and it is not an idealist one. It is a commitment that is imposed by reality and once fulfilled will turn into facilities, well-being, and support for both our people. The struggle against poverty, neglect and to further the technological development of our countries and the education of our youth so they can be competitive, binds us both to do this. The leading sectors are undoubtedly convinced that this has to be done. If it is not, we would be making a serious, a very serious mistake.

The issue of the borders is of great importance. I would like to tell the parliamentarians, senators and deputies, something that seems important to me. The border, as the president of the Congress has stated, is very extensive: 2,200 km in length.

However, it is not a uniform border. There are parts that are densely populated. There is a permanent exchange between Tachira and Santander because all the spaces have been occupied by a population that grows and interrelates on a daily basis. A similar situation occurs in Guajira, although it has different characteristics. This area has a large Indian population, with special ties on both sides of the border. Thus, it is difficult to use systems similar to the ones used in other border areas.

We also have vast areas that are mostly unpopulated. Small groups of people work there to overcome their difficulties. We are making efforts to promote sustainable development in those areas. This commitment is fundamental for the future of the area. The undertaking demands great efforts and must be viewed on a long term basis. Those border areas are guarded with much difficulty and not enough by the armed forces of one and the other country. The promoters of violence, drug trafficking people, and those who further terrorism exploit such isolated areas. Those people carry out attacks every so often and this mars the mood of the residents who live in the area.

I have mentioned a fact that, I believe, is very important. Traditionally, the people in both our countries have considered an increase of soldiers on any side of the border area as being a very suspicious action.

Today, Venezuelans do not regard the presence of soldiers of the Colombian Armed Forces with mistrust, but demand it as a necessity. We do not want those areas to be neglected. We want to maintain cooperation based on agreements between the armed forces and police of both countries in order to put an end to the horrible drug trafficking adventure that has caused so much damage to mankind and to that area.

Those are extensive areas, where it is easy to move from one side to the other by simply crossing a river, which many times is not even navigable. That situation demands more understanding than ever between our armed forces.

Today, the Venezuelan Armed Forces do not see the Colombian Armed Forces as a potential enemy; by the same token, the Colombian Armed Forces do not see the Venezuelan Armed Forces as a potential enemy. It is time for both sides... [pauses] the armed forces and police from both nations have an obligation and a [word indistinct] commitment. They have established bilateral cordial relations, but greater efforts are necessary.

We believe... [pauses] are aware of the great problem that guerrilla violence and drug trafficking, and terrorism have represented for the Republic of Colombia. We believe that sometimes this problem is so huge that it is difficult to effectively guard all areas in the country.

In this regard, we need to make greater efforts, increase communications and surveillance, exchange information, and even carry out joint operations. It is really painful to learn that a group of adventurers, a group of terrorists, or a group of guerrillas can cross the border to kidnap a honest worker, an active businessman, or any citizen. It is sad to know that by crossing the border at points where there is not enough police or military surveillance they feel are unduly protected.

Undoubtedly, they do this not only to obtain the benefits derived from their criminal actitivies. They also do it in an attempt to create misunderstandings between public institutions, governments, and armed institutions of the two countries.

I can say that at the time of the tragic accident... [pauses] the tragic incident of Cararao, in which several Venezuelan marines were massacred, both governments acted fully aware of the seriousness of the situation and of their responsibility. I believe we gave an example and that we are giving an example. We can feel proud because relations between both countries can serve as a model to resolve problems that can emerge between other countries in our same hemisphere that could find themselves in a similar situation.

In facing all these things, I believe that first of all we should have a clear understanding of the problems and at the same time be firmly committed to solve them. We must act in harmony against drug trafficking; we must act against violence and against corruption, an evil that has threatened to destroy and undermine the foundations of democracy.

Ladies and Gentlemen, Deputies, Representatives, and Senators: Sometimes it seems that people believe that corruption is a fruit of democracy.

Those of us who fought for giving our people democratic institutions, fought against the corruption that was representative of dictatorships. Dictators, except for a few limited exceptions, were corrupt individuals who disturbed the administrative life of the country and became rich at the expense of the public treasury.

Democracy came with the banner of freedom and the banner of honesty. When this banner is trampled on, when corruption pervades democratic institutions, the people are prone to believe that those they have elected have not been firm enough in defending the principles and have taken the same corruption to the basic institutions of public life.

In this regard, we must also harmonize our efforts. We must wage a long but firm struggle to prevent those who have caused serious damage to the life of the country from enjoying the fruits of their plundering.

Therefore, the struggle against corruption is a common cause in which we are interested and to which we are committed. And the parliaments of both countries have been very firm in supporting the idea, which must materialize in efficient and operating institutions.

I would like to recognize here, as a very auspicious event, the fact the Congress of Colombia and the Congress of Venezuela have maintained in recent times an intense and constructive relationship. They have truly set an example, because the executive branches should not be left alone to face problems, to resolve the issues that may separate us.

That is why I feel very honored and pleased to have been received in this honorable tribune. I feel profoundly grateful because in the visit I made to Colombia today, it has been made clear that the friendship between Venezuela and Colombia is firm, is active, is operating, is above all circumstances and all moments that may occur in the lives of our countries.

We have the obligation to march together, and we are duty-bound to fulfill that obligation. That is the reason I am here, to state before this honorable Congress the conviction that a new period is beginning. I am here to state that if the ideal of the Greater Colombia under Bolivar died in 1830, we now have a new commitment inspired in the same ideals to carry out this integration through other procedures and according to the new needs. This must accompany us in the effort to open to our youngsters, the new generations, a broad and promising horizon for the 21st century, which is about to begin.

Messrs. Senators and Deputies: I am very indebted to you. I sincerely wish happiness to Colombians, the happiness of your people, the success of your institutions, the strength of your democracy, and the growing progress in a close and operating relationship of friendship between this noble country and my country, between Colombia and Venezuela. Our countries have been forcefully united by the same nature, because the Providence laid out a common path that we must march with honesty, firmness, and sincerity. Thank you, very much.

Ministers Discuss Agreements With Colombia

PA1009041595 Caracas Venezolana de Television Network in Spanish 0200 GMT 8 Sep 95

[Report by Pedro Prado from "The News" newscast]

[FBIS Translated Text] Once again, Venezuela and Colombia have shown examples of brotherhood. The leaders of the two nations are convinced that an effective instrument in resolving any conflict is a civilized dialogue. Several agreements were reached during the visit paid to that country by Venezuelan President Rafael Caldera and his delegation.

As for steel, Venezuelan Foreign Minister Miguel Angel Burelli Rivas said that in a few weeks the possibility of invoking the safeguard clause of the Cartagena Agreement, which would prevent us from marketing Venezuelan steel in the neighboring country, would disappear.

[Begin Burelli recording] We agreed to allow businessmen of the two countries to reach complementary agreements within a 30-day period to avoid the need to apply the aforementioned clause. [end recording]

As for stolen vehicles, a Venezuelan technical commission will travel to Colombia on 8 September to conduct an inventory and inspect the vehicle ownership documents and get Colombia to return them.

[Begin Justice Minister Ruben Creixems recording] Colombian President Ernesto Samper expressed his firm political commitment to return the vehicles once they have been clearly identified by this technical commission. As for expectations, it is difficult to determine the exact time. The foreign minister said it could be a matter of a month or one and a half months before we will be able to see the first lot of vehicles in Venezuela. [end recording]

As for border security, Defense Minister Moises Orozco Graterol invited his Colombian colleague to visit Venezuela in early October.

[Begin Orozco recording] We invited them to visit the Eastern Unified Command [Comando Unificado de Oriente] so they can see for themselves right there at the border our urgent need for them to provide more security and more control (?at the border). [end recording]

As for the repatriation of prisoners, it is also part of the dialogue between Venezuelans and Colombians. The Venezuelans were able to get the Colombian Attorney General's Office and the Colombian Constitutional Court to give priority to this topic in order to ratify the agreement that will allow for the repatriation of those who were sentenced in Venezuela back to their country of origin.

Finance Minister on Possible Debt Rescheduling

PA0809042195 Caracas Venezolana de Television Network in Spanish 0200 GMT 5 Sep 95

[Report by Pedro Prado from "The News" newscast]

[FBIS Translated Text] [Announcer] Finance Minister Luis Raul Matos Azocar has announced that the Executive Branch is studying formulas to readjust servicing of the Venezuelan debt:

[Prado] Given that this commitment poses a heavy burden for the economy, especially in 1996 and 1997, the government is seeking ways to ease its restrictive effects. Finance Minister Luis Raul Matos Azocar described as a success the fact that the World Bank rescheduled the commitments that the country acquired for this year and that the Inter-American Development Bank [IDB] is about to make a similar decision. The new terms do not imply greater indebtedness:

[Begin Matos recording] We will save about 70 billion [currency not specified], and if the IDB, as I already mentioned, also ratifies a similar position, we would be talking about 40,000 [figure as heard], in other words, we would have... [pauses] for 1995. [sentence as heard]

However, my main concern and we are working on this, are the years 1996, 1997, and 1998. We need to readjust the debt, we need to reschedule this portion for 1996 but then we would have to reschedule the 1996 debt perhaps for beyond the year 2000 to avoid producing a bottleneck effect on the country's economic development. [end recording]

Luis Raul Matos Azocar, chief of state finances, took advantage of the occasion to announce the appointment of Dr. (Esther de Margulis) as president of Fogade [Deposit Guarantee and Banking Protection Fund]. The minister added that in November he will propose the names of the heads of the Bank Superintendency and Fogade for a final ratification by the Congress of the Republic.

Finance Commission Rejects 1996 Budget Draft

PA0909034895 Caracas Venezolana de Television Network in Spanish 0200 GMT 6 Sep 95

[Report by Pedro Prado; from "The News" newscast]

[FBIS Translated Text] The Finance Commission of the Venezuelan Congress, chaired by Gustavo Tarre Briceno, has decided not to approve the budget draft for fiscal year 1996, which was submitted by the Executive Branch.

Prior to the start of the regular Congress sessions, Finance Commission members said they believe changes and modifications can be made to the 3.4 trillion-bolivar budget in the next four weeks. Otherwise, the deputies will not vote for such an imperfect and defective budget draft.

[Begin Tarre recording] We believe a discussion with the government should be held. The Finance Commission is perfectly willing to hold the discussion, not only with the government but with the entire country. [end recording]

The finance minister simply answered with the word: renewal. He said this does not concern the Executive Branch.

According to Finance Minister Luis Raul Matos Azocar, the budget has a ceiling and the important thing is to eliminate fiscal vices.

[Begin Matos recording] What I have done is a firm proposal to attempt to eradicate these vices by saying: gentlemen, let us go with revenue estimates; let us set priorities, which is indispensable; and finally let us try to correct structural imperfections so that the budget can be revised and redrafted. [end recording]

A technical commission from the Inter-American Development Bank is expected in the country next week, which should help Venezuela pay less money this year in its commitments with this multilateral organization. The government also hopes the next budget will allocate less than 40 percent for foreign debt payments.

Politicians, Experts View Gasoline Price Hike

PA1009020395 Caracas Venezolana de Television Network in Spanish 1545 GMT 8 Sep 95

[From "The News" newscast]

[FBIS Translated Text] The chief executive's decision to raise gasoline prices has drawn reactions from various sectors:

[Begin recording] [Petroleum expert Leonardo Montiel Ortega] It is neither correct nor in keeping with reality to term the measures that the president of the Republic has just announced as an increase, because the price of certain types of gasoline have increased while others have dropped. All this aims to benefit a majority of the population that uses motor vehicles, that is, buses or regular cars, the population that views this service as a basic need.

The price increase affects mostly high-octane gasoline, which is used by luxury cars, by cars that cost huge amounts of money and that are owned by citizens who can afford to pay.

[Gustavo Tarre Briceno, chairman of the Chamber of Deputies' Finance Commission] The price of gasoline [words indistinct] subsidy to those of us who have more money and can own cars.

[Correspondent] [Words indistinct]

[Tarre] Excuse me, but most of the citizens do not own cars, unfortunately; there would be no problem if (?everyone) owned a car, but PDVSA [Venezuelan Petroleum, Inc] has plans that can be perfectly implemented. They are ready to subsidize collective transportation; to transform gasoline to liquified gas in collective transportation. This is ready to be implemented, and most citizens will not be affected. I am absolutely certain that the Venezuelan people will not react with a social explosion if there is a good campaign to explain this and if the money generated by gasoline price increases is used properly.

[Federico Ramirez Leon, president of Venezuelan Workers Confederation] This is polemic but it involves a sovereign decision that the chief executive was forced to make in view of the demands of the economic situation.

[Senator Freddy Munoz] It was a correct decision to increase gasoline prices. It was a correct decision to have a differentiated increase, that is, lower prices for the majority and higher prices for the minority, especially the privileged minority. The consequences for the privileged minority, who own most of the private cars, will not be significant, because they can absorb this increase and even larger ones. The consequences for the majority will not be very significant, because the increase is not significant either. [end recording]

Energy Minister, Business Leaders Comment

PA1009175695 Caracas Venezolana de Television Network in Spanish 0200 GMT 9 Sep 95

[Report by Hector Mateus and Maribel Rodriguez from "The News" newcast]

[FBIS Translated Text] The measure adopted by the Executive Branch increasing the price of gasoline will generate income for the country of approximately 65 billion bolivares per year.

According to Energy and Mines Minister Erwin Arrieta, the measure will not affect the majority of the population, estimated at 80 percent, that consumes this important resource to run their vehicles. It will not even affect carriers, as they use the 83-octane fuel, which is the cheapest and will have a better quality and cost less effective Monday. This however, is not the national government's objective, as the main purpose is substituting the nonrenewable resource by natural gas for automobiles, which costs less and is non-polluting. As to where the funds will go, Arrieta said they should not be labeled.

[Begin recording] [Mateus] How will those funds be used? Will they be used to pay the foreign debt, for example?

[Arrieta] You cannot mark the money obtained through the sale of gasoline assigning it a specific destination. The National Treasury has a special department, which through budgeting procedures and based on the laws that regulate the handling of public finances, handles the various sectors, including this sector, which the government wants to be a source of wealth and not loss. In that sense, there is refunding through the management of public finances. [end recording]

Minister Arrieta said there are no plans to adjust the price of gasoline in 1996. This weekend gas stations will make the necessary adjustments to implement the new price of gasoline effective Monday.

Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industries] believes the increase in the price of gasoline prices is positive for the nation. Fedecamaras President Jorge Serrano said the increase in gasoline prices gives confidence to national and foreign investors. He added that it is a reasonable adjustment, taking into consideration that prices had not been increased for a long time and that gasoline was being sold below its cost.

[Begin Serrano recording] This could be viewed as an anti- inflationary measure because it will generate revenues for the nation instead of issuing paper money without backing, in other words artificial money. In addition, it will have an impact on the fiscal deficit. [end recording]

Consecomercio [National Council of Commerce and Services] President Eliseo Sarmiento said that although he views the government's decision to adjust prices as a positive step, he feels that in reality this increase was due to a fiscal and treasury problem rather than a true adjustment in the price of petroleum by-products.

[Begin Sarmiento recording] The adjustment should have been in accordance with the real cost parameters reported by the oil industry, and for all types of gasoline. Perhaps a moderate and gradual policy could have been applied to the lower octane gasoline, but the government should have never reduced the price of a type of gasoline that was already low. [end recording]

Fedecamaras president said he favors using part of the income obtained from the sale of gasoline to pay the foreign debt.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.